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DAVID MEETS GOLIATH IN A COMEBACK

BY
Ben Marcin

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THAT MAN IS MY BROTHER
John Garvin

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Robert H. Hemphill

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BANKERS' DICE ARE LOADED
E. Perrin Schwartz

VOLUME 1A No. 1

Joseph P. Kennedy

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Father Coughlin Replies . . .

Asked by a correspondent why it was that the poor suffer so unjustly, and why virtuous people oftentimes bear the cross of illness and disease while vice appears to prosper, Father Coughlin sent the following reply:

"The problem of pain stands in the heart of every attempt to solve the riddle of the Universe.

"A thousand attempts have been made to answer it. A thousand obstacles confront its solution. The Buddhist, at one extremity, informs us that pain and sorrow and oppression are always the result of some personal sin which was committed in some previous existence.

"It has been reserved for a modern sect to solve the riddle by absolutely denying the reality of pain's existence. The whole thing, according to these, is an illusion.

"Here, then, the problem stands between the two extremes. We see it crying for an explanation in every innocent child who suffers in his body. We behold it asking for an interpretation in every heart that is crowned with the agony of thorns. We witness it in every God-fearing farmer or laborer whose gaunt gaze is held captive by an empty larder, by drouth-stricken fields.

"I suppose that this riddle of suffering would always remain cloaked in misunderstanding were it not for the revelation of our Christian faith. Only when we turn to the crucified Christ knowing Who He is and What He is do we catch a vagrant ray of understanding.

"Turn your eyes upon Him as He hangs upon the cross. It is not only a Man who is transfixed there. It is the guiltless God-Man. That He really suffered is certain when He exclaimed: 'My God, My God, why hast Thou forsaken Me!'

"That cry of His dispels the sophistry of those who tell us that pain is only an illusion; that it is necessarily the penalty of personal sin. That piercing, anguished cry cheers us with the thought that pain is not to be attributed to a careless Providence or that it is a mark of social inferiority. Was it not Christ Who uttered it—Christ, the Son of God; the greatest of the Sons of Man?

"Looking deeper into this problem, there is a clearer light cast upon its complexity by the inspired words taken from St. Paul's Letter to the Colossians. 'I fill up those things that are wanting of the sufferings of Christ,' wrote he.

"In other words: the suffering baby, the sorrowing mother, the tubercular maiden, the worried father—every bed in every hospital ward, every cell in an insane institute, every honest tear and ravaging pain are nothing more than the extended pains of Christ Crucified.

"How tremendous, then, is the sufferer! With what dignity is the sufferer's soul surrounded! Those who are oppressed, those who are victims of injustice, those whose bodies feel the stripes of the lash of oppression, whose brows are circled with the thorns of worry, whose hands are pierced with the nails of poverty, whose hearts are opened with the spear of calumny—they are living crucifixes who stand clear of the wrangling world about them!

"We see in them not merely separate human beings that twist in agony, but souls that mirror the tragedy of Calvary throughout the ages. The rose may reflect the beauty of God; the thunder and tossing ocean, His power. All nature is but His mirror. But it is left to the shut-in, to the sufferer, to the heart broken, pain stricken fellow citizen of ours to reflect our God as He hangs on Calvary expiating the sins of the world."

Illustrating the elusive loop-hole feature of the branch bankers' holding company bill, discussed by Father Coughlin in his department "From the Tower" (See Page 4), the following dispatch appeared in newspapers of the country:

"New York, March 17.—(Special)—The Transamerica Corporation has reduced its holdings of shares of the National City Bank of New York from more than 10 per cent to about 8.75 per cent, according to the annual pamphlet report for 1937.

"This means that the National City would not be classified as 'controlled' by Transamerica under the terms of the pending bank holding company bill.

"Under the bill, control is defined as ownership of more than 10 per cent of stock. At the close of 1936, Transamerica held 625,751 shares, or 10.09 per cent of the 6,200,000 shares of National City stock outstanding. The latest report shows that December 31 these holdings had been cut 83,320 shares to 542,431."

In response to additional letters of inquiry about the Corporate State, Father Coughlin's correspondence has given answer to the following questions:

Does it not appear that a Corporate State destroys the liberty of individuals and, therefore, is opposed to democracy?

ANSWER: On the contrary, it protects the liberty of the individual and safeguards democracy.

For a moment, consider your own body, composed of many members. The Corporate State acts similarly to a human body. For example, the right arm will represent those engaged in the building trade. Now the arm is composed of sinew, flesh, blood, bone, skin, nerves, muscle and millions of cells. Supposing a cell represents an individual workman. How efficient is one cell unless it is co-ordinated with all the other cells? How strong is one muscle in the arm unless it co-operates with the whole arm? In unity there is strength. In individualism there is weakness. In unity there is health; in individualism there is sickness. For the welfare of each muscle or nerve or cell in the arm close co-operation, or incorporation, is essential for the preservation and prosperity, as it were, of each individual part.

Therefore, the same principles apply to all carpenters, electricians, stone masons, bricklayers, glaziers, roofers and every other type of person engaged in the building trade.

Please follow out in your own mind the analogy between the human body and the state. From this mental exercise you will gradually begin to see the sanity of the corporate theory reduced to politics. You will gradually see that instead of rugged individualism there is required rugged co-operation.

These basic thoughts I have developed from the Encyclical, "Quadragesimo Anno," written by Pope Pius XI.

Is the Corporate State identified with Fascism?

ANSWER: Do you know what the fasces are? Imagine that you have in your hand a twig from an apple tree. You can break it easily. Imagine that you have thirty or forty or four hundred twigs bound together. You can't break them, because in unity there is strength. The fasces represents a bundle of twigs bound together. In ancient Rome, this bound bundle of twigs was carried before the chief officers of the state to represent to the people that in unity there is strength.

Benito Mussolini adopted this symbol to teach the Italian people the value of unity. From the fasces he developed the word "Fascism"—a word that appealed to Italian people more than to any other people.

In the beginning Mussolini had representatives taken from each class of people in his Chamber of Deputies. These representatives replaced the representatives who, formerly, had been elected by the masses. Mussolini regarded these representatives, not as a real law-making body, but more or less as a consultative body. He imposed his will upon them, more or less, because he understood, better than did they, the workings of a Corporate State.

Fascism is really a Corporate State, inasmuch as the classes are represented in government.

I am not trying to introduce Fascism into America because I maintain that our representatives should be the real legislative body and not merely the consultative body. I maintain that our President should not be the dictator but only the Chief Executive to execute the will of the House of Representatives.

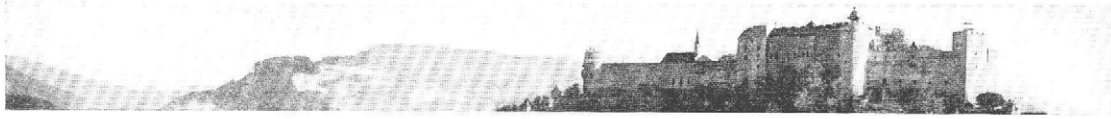
Coming . . .

"America Invaded," a study of crime conditions in the United States and some statistics on the abuses of the parole system.

"Tragedy of the Shopper's Dime," some results of our reciprocity trade treaties and their effect upon labor conditions in America, are recounted in this examination of the things that hang upon America's clothesline.

"The Gold Standard Racket," another blast at the money lenders by the international financial authority, Robert H. Hemphill.

"Our Tottering Democracy" by Joseph P. Wright and further articles in their revealing and thought-provoking series by Hilaire Belloc, John Garvin, Joseph Bondy, and Edward Lodge Curran.



THIS IS THE PAYOFF, MR. PRESIDENT

by Edward Lodge Curran, Ph. D.

Hon. Franklin D. Roosevelt
President of the United States
The White House
Washington, D. C.
Dear Mr. President:

I hereby submit an open letter for your prudent and presidential consideration. It contains the common sense reactions of millions of loyal Americans to the recent international events in Central Europe.

We are old enough to remember the wartime hysteria of the Wilsonian regime in which you held an official post in the office of the Secretary of the Navy.

We remember the Democratic campaign slogan of 1916: "He kept us out of war." Because of that slogan, and because of the Democratic victory in the state of California, Woodrow Wilson was re-elected President of the United States.

WITH LESS than a year of his peace-pledged term over, President Wilson called upon Congress for a declaration of war and secured it. To make it easy for American youth to die in France, the perfumed promise of "making the world safe for Democracy" was repeated like swing music by four-minute speakers and by public officials everywhere throughout the country.

We were told that our fight was not against the German people but against the German government. We were told this despite the fact that German operas were outlawed during the war period from the program of American opera houses. We were told this despite the fact that the German language was removed from the curriculum of our public high school systems in many states. We were told this despite the fact that "sour-krout" was rebaptized "liberty cabbage," and streets like "Hamburg Avenue" in Brooklyn were changed to "Wilson Avenue."

As usual, a gullible press-enslaved American public swallowed everything, including the cabbage, without a murmur. The German people contributed their share of the swallowing. Included on the German menu were the Fourteen Points of President Wilson, on the basis of which the war was to result in peace with justice towards all and revenge upon none.

May I recall the 14 points which supposedly became the Allied War aims:

1. Open covenants of peace, openly arrived at, and no secret diplomacy in the future.

Americans Want No Anschluss — We Must Trade Foreign Policy of Wilson For That of Washington

2. Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and war, except as the seas may be closed by international action.

3. Removal so far as possible of all economic barriers.

4. Adequate guarantees for the reduction of national armaments.

5. An absolutely impartial adjustment of all colonial claims, the interests of the populations concerned having equal weight with the equitable claim of the government whose title is to be determined.

6. All Russian territory to be evacuated, and Russia given full opportunity for self-development, the Powers aiding.

7. Complete evacuation and restoration of Belgium, without any limit to her sovereignty.

8. All French territory to be freed, invaded portions restored, and the wrong done by Prussia in 1871 in the matter of Alsace-Lorraine righted.

9. Readjustment of Italian frontiers along clearly recognizable lines of nationality.

10. Peoples of Austria-Hungary accorded the freest opportunity of autonomous development.

11. Rumania, Serbia and Montenegro evacuated, occupied territories restored, Serbia given access to the sea, and inter-relations of the several Balkan States determined along historically established lines of allegiance and nationality under international guarantees.

12. Turkish portions of Ottoman Empire assured a secure sovereignty, non-Turkish nationalities assured an autonomous development, and the Dardanelles to be permanently free to all ships.

13. An independent Polish state, including territories inhabited by indisputably Polish populations and having access to the sea.

14. A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike.

The fourteenth of these points, of course, refers to the League of Nations. It cannot be divorced from the preceding 13. The League was to take care of a world politically and economically established on the 13 points which preceded the League paragraph in Wilson's outline.

IT WAS on the basis of these 14 points, and not on anything else, that the Germans signed the Armistice with the Allies, November 11, 1918. On only two of them, Point Two, concerning freedom of the seas, and Point Ten, referring to the status of Austria-Hungary, did the Allies make any reservations.

It was not on the basis of these 14 points or on any other program of justice that the Peace Treaty of Versailles was signed and forced upon the German people. *With the full support of England and France, a peace was drawn up with the purposeful intent of beating the German and Austrian people to their knees.* Through exorbitant reparations the attempt was made to enslave German and Austrian youth for generations to come.

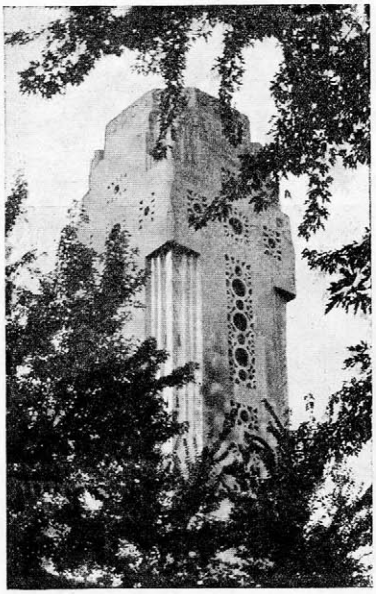
Forgotten was the propaganda distinction made between the German government and the German people. One by one President Wilson saw his 14 points dissolve in the alembic of hatred and passion. The world heard Lloyd George advocating a public hanging for the Kaiser. The world heard Georges Clemenceau—the Tiger of France, for more reasons than one—swear vengeance upon the German nation.

We have no time or desire to recount all the vindictive details of Versailles. We have time to note that the Peace Treaty of Versailles was the death warrant of international peace and justice. You cannot beat a proud people into the dust and keep them there. You cannot dismember a nation and expect that nation to glory in its dismemberment.

There is only one object, Mr. President, in recounting these facts. It is to show you that *the eyes of the United States must be focused upon the United States and not upon Europe.* It is to hope, Mr. President, that as a participant in the international events of those days you yourself will be the last to allow this country to plunge into the fury and hatred of another World War, no matter whose European finances are fraught with destruction and no matter whose siren voice is loudest in the diplomatic atmosphere of Washington.

The mistake of Woodrow Wilson was not the publication of his 14 points. These would have brought peace with justice. The mistake

See PAYOFF Page 18



FROM THE TOWER

A NEW SWINDLE

Powerful Private Banks Preparing Loophole Exit From Thomas-Patman Bills

SENATOR ELMER THOMAS and Representative Wright Patman have two bills pending in Congress. Combined, they aim at nationalizing the Federal Reserve Bank and raising the price values to the 1926 level. So far, so good. It is to be observed that neither bill incorporates the thought of compelling private bankers to maintain 100 per cent reserve. Neither bill, therefore, prevents private bankers from lending 10 times as much money as they actually have. That is a very important point for all followers of social justice to remember.

There is likelihood that the Thomas-Patman bills will be passed at this session of Congress in a modified form. Because of this a certain group of bankers, who discovered the weakness of the Thomas-Patman bills, is preparing a loophole exit.

According to Senator Carter Glass, who long since has been the spokesman on the Senate floor for the private issuers and regulators of money, a third bill is being prepared. Sometimes it is referred to as the "Bill on Bank Holding Companies" and at other times as the "Branch Banking Bill." The essence of the legislation about to be proposed by Senator Glass is this: Congress will authorize banks to establish branches not only outside the cities where the main bank operates but even outside the state.

To any keen analyst this means that the 15 large banks in New York City gradually will purchase and assimilate banks owned in every state in the nation.

Here below we quote Section IV of the "Bank Holding Company Act of 1938":

"No insured bank shall establish or operate or be permitted to establish or operate any new or additional branches while such insured bank is controlled by any holding company."

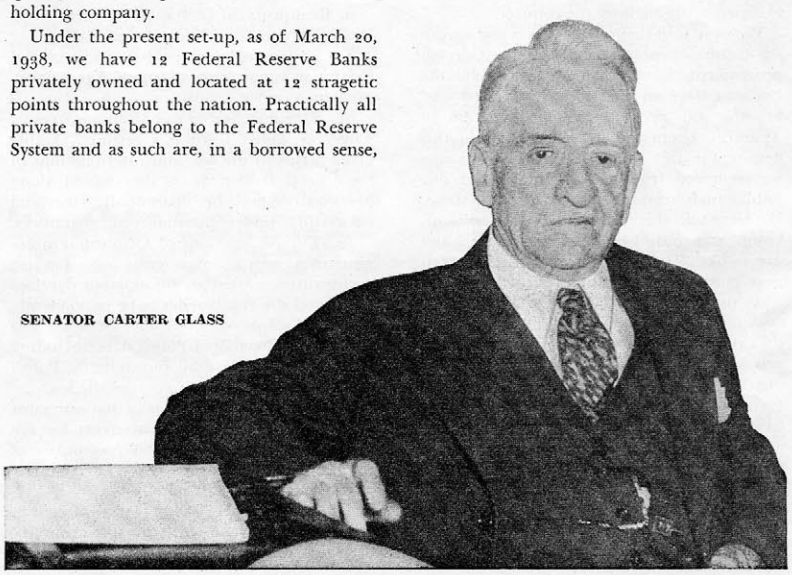
Re-read that quotation. Analyze it, and you will learn that if, for example, the First National Bank of New York City can prove that it is not owned by a holding company then it may establish branches anywhere in the United States. The above Section IV is worded trickily to deceive the gullible public. It simply states that no insured bank can operate branches while that insured bank is controlled by a holding company. Therefore, it infers, according to logic, that when the holding company is washed out, the bank is free to institute branches without limitation.

On page 2 of this issue there is printed an excerpt from the Detroit Free Press indicating what one powerful bank is already doing to qualify as an independent bank free from a holding company.

Under the present set-up, as of March 20, 1938, we have 12 Federal Reserve Banks privately owned and located at 12 stragetic points throughout the nation. Practically all private banks belong to the Federal Reserve System and as such are, in a borrowed sense, branches of the Federal Reserve. To preserve and amplify this set-up, once the Thomas-Patman bills will have been passed, legal authorization will be extended to the large New York banks to continue where the Federal Reserve Banks leave off. In other words, the last state of the nation will be worse than the former, because we will have Federal Reserve Banks nationalized by the government, to which will belong only those banks which are not controlled by the 15 or 20 large New York institutions. On the other hand the large New York financial houses will make sure that they purchase the best bank in Detroit, in Boston, in Philadelphia, in Kansas City and in every other banking center throughout the United States thereby setting up a financial oligarchy more powerful than that operated by the nationalized Federal Reserve organization.

WHAT will be the outcome if Senator Carter Glass will be successful in passing his branch banking bill?

It is certain that this powerful financial group, not obligated to maintain a 100 per cent reserve against its deposits, will continue lending fountain pen money both to individuals and to the government. Furthermore, the policy of all the branches outside New York will be written not in the cities where the branch banks will operate but in New York itself, far distant from the persons who seek loans and who do businesss with the branches. Moreover, the profits gained by banks in the outlying cities will be



SENATOR CARTER GLASS

siphoned to New York City just the same as the profits from the chain stores throughout the nation are concentrated in the hands of the board of directors at New York.

I do not wish to burden you in this issue with too many astounding facts relative to this new financial trickery which is being planned to forge shackles on your ankles now that it is probable that the Federal Reserve shackles on your wrists will be removed.

Carter Glass' bill must not pass. Every lover of social justice should write his senator at least five letters protesting against Section IV of the McAdoo-Glass bill to which I am referring.

Does not the history of branch banking impel us to oppose its continuation? Branch banking merely means that banks are to be fashioned so large that the government will be forced to save them and their management, when future depressions will occur, by sacrificing the national currency and credit, if necessary, lest the collapse of a big New York bank with 100 or 200 branches throughout the nation will cause an immediate calamity.

Branch banking in Britain, Germany and Italy shows how branch bank failures must always be covered up either by currency repudiation or by the government taking over the bankrupt banks at a loss both to depositors and the citizens at large.

SURELY the citizens have not forgotten March 4, 1933! On that date we learned a lesson in branch banking failure from which we have not recovered. In Georgia, the Manley branch banking system of over 100 banks was a failure in 1926. The Bank of the United States in New York with 58 branches failed in 1930. The Peoples State Bank of South Carolina with 44 branches failed in 1931. The Fidelity Trust Company and the Casco Mercantile Trust Company with 39 branches in Maine failed in 1933. Nineteen banks with 494 branches in Michigan, Ohio, Maryland, Virginia, North Carolina, South Carolina, Louisiana were failures in 1933.

Thus, those who propose branch banking as an American banking cure-all should realize that in Maine, a branch banking state, with 133 banks and 68 branches shriveled to 21 banks and 56 branches, while in the neighboring state of New Hampshire with 118 independent banks, where branch banking is prohibited, there were only five failures.

The history of branch banking is a history of bank failures as is proven by the following table which shows the United States branch banking collapse of 1933:

First National Bank, Detroit, 200 branches and so forth, deposits $484,700,000.

Union Trust Co., Cleveland, 22 branches, deposits $194,925,000.

Guardian National Bank of Commerce, Detroit, 97 branches, deposits $300,000,000.

Guardian Trust Co., Cleveland, 19 branches, deposits $109,750,000.

Canal Bank & Trust Co., New Orleans, 20 branches, deposits $58,243,000.

Hibernia Bank & Trust Co., New Orleans, nine branches, deposits $52,863,000.

Baltimore Trust Co., Baltimore, 19 branches, deposits $49,000,000.

Union Trust Co., Maryland, 18 branches, deposits $45,333,000.

First Central Trust Co., Akron, seven branches, deposits $41,845,000.

Fidelity Trust Co., Portland, 11 branches, deposits $25,694,000.

North Carolina Bank & Trust Co., Greensboro, 22 branches, deposits $30,337,000.

American Bank & Trust Co., Richmond, nine branches, deposits $15,017,000.

Tennessee Valley Bank, Decatur, Ala., 15 branches, deposits $2,988,000.

Casco Mercantile Trust Co., Portland, Maine, nine branches, deposits $16,290,000.

Page Trust Co., Raleigh, N.C., 14 branches, deposits $5,676,000.

South Carolina National Bank, Charleston, S. C., five branches, deposits $16,814,000.

Central Union Bank, Columbia, S. C., four branches, deposits $7,346,000.

East Shore Trust Co., Cambridge, Md., 20 branches, deposits $12,528,000.

Augusta Trust Co., Augusta, Maine, 15 branches, deposits $18,000,000.

Students in political economy classes can take these figures which I have presented, together with the facts, as absolutely correct.

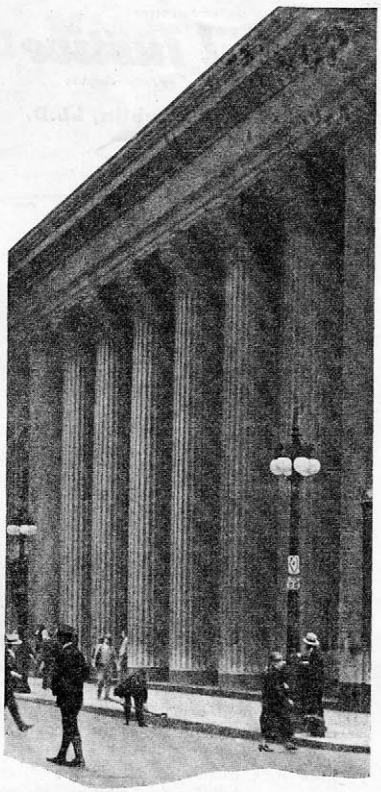
Students in politics, having reviewed the history of Carter Glass who was responsible for introducing the Federal Reserve Bank Act in 1913, can be assured that this gentleman is still serving the same interests in 1938 as he did 25 years ago.

IN THE preamble of the original Federal Reserve Banking Act it was stated that this branch banking set-up would prevent depressions and procure prosperity for the United States of America. Since the Federal Reserve Banking System was established we have had more years of depression and less prosperity than in any time in the history of the nation.

Banks should be prohibited from lending fictitious money. They should be compelled to lend only what the depositors place in the banks. Moreover, sound banking and credit demand that the bankers should know the borrower and should be acquainted with the borrower's plans and chances for success. This is impossible when the dictator of loans under a branch banking system will sit in New York and operate not for the purpose of serving any given community but for the purpose of making profits for the stockholders of the mother bank in New York City.

Centralization in government has been growing apace to the detriment of states' rights and local liberty. Centralization in banking must not be permitted else the last vestige of economic liberty will have departed from our midst.

In conclusion, may I quote Senator Reynolds of North Carolina, who says:



"The investment-banking empire of the country is controlled by the New York investment banking group, by hands as absolute (and sometimes as ruthless) as those of the dictators who rule empires abroad. Both the commercial banks and the investment banks out in the country dare not go contrary to the will of this New York group lest their insubordination mean that they are stricken from the list of the New York group and will not any more be allowed to share in the good isssues of securities which this group from time to time distributes to those who "play ball" with them.

"This condition is unwholesome and un-American. It means that the heel of Wall Street is upon the neck of every section of this country; it means that the control of new business and business expansion in this nation is in the hands of a few men who sit at the apex of a great financial pyramid and pull the strings of national development according to the way it affects their private purse; it means that New England, the great Middle West, the growing South, and the throbbing far West must trek to New York with its hat in its hand to implore the benign blessing of these great monarchs to establish in this free nation sound business."

Father Coughlin

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Rev. Chas. E. Coughlin, LL.D.

EDITORIAL COUNSEL

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16 PRINCIPLES OF SOCIAL JUSTICE

Liberty of conscience and education.

Just, living, annual wage.

Nationalization of important public resources.

Private ownership of all property.

Control of private property for public good.

Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.

Restoration to Congress of its sole right to coin and regulate the value of money.

Cost of living maintained on an even keel.

Cost of production plus a fair profit for the farmer.

Labor's right to organize.

Recall of non-productive bonds.

Abolition of tax-exempt bonds.

Broadened base of taxation on basis of ownership and capacity to pay.

Simplification of government and lower taxes.

Conscription of wealth as well as men in event of war.

Sanctity of human rights preferred to sanctity of property, with government's chief concern for the poor.

Europe's Changed Thinking

FOR decades Great Britain has held the balance of power in continental Europe. What has caused her to throw her weight towards Germany and Italy thus, seemingly, to favor "Fascism"?

Since 1933, Chancellor Hitler has broken with international finance. Through the industry of her people—freed from slavery to unchristian financial internationalists—Germany has solved her domestic problems. There is today virtually no unemployment; the Reich is prospering. Despite malicious propaganda, Germany's internal prosperity has set an example that caused European leaders to ponder.

First, Mussolini took notice. He realized that Italy needed a strong ally to guarantee her position in bargaining with England for control in the Mediterranean. Hitler, aware of the serious financial troubles of Italy, bided his time. Finally, when conditions were ripe, Il Duce received an invitation to visit Berlin.

Hitler offered to back Mussolini on one condition: That Italy, too, break with international finance—*the pawnbrokers' power must be broken!* Mussolini demurred. He argued that this was impossible, since he was totally dependent upon the financing of the Rothschilds. It would, he said, mean ruin for Italy. Hitler coldly replied: *"It will mean greater ruin if you stick with them!"*

Mussolini pleaded for time. He wanted to be financially independent, but he was skeptical. He returned home. Soon thereafter we find high and mighty representatives of the international bankers resigning from their key positions in the Italian government.

Meanwhile, aristocratic Britons traveling in Germany saw for themselves her stable prosperity. They realized that they were being deceived by the internationalist-dominated press of their own country. These titled Britishers still have a voice in their government. Fortunately, the British Foreign Office is one key post that the puppets of international finance have not been able to dominate for long. Anthony Eden was replaced by Lord Halifax.

These keen-minded British observers realized that Austria was too near Germany not to understand how prosperity becomes inevitable as soon as the withering hand of international financial domination is removed. They knew that Austria would follow the German lead. They saw, too, that Mussolini had reached an agreement with Hitler. Japan, likewise, had come to terms. England's only choice was to back Germany with her prosperity, or side with Communist Russia and ruin.

France is a house divided. The government is in open alliance with Russia but France, surrounded by anti-Communists in Spain, Italy and Germany, is rendered ineffective. Poland and Rumania already were pledged to the Hitler group; and now Czechoslovakia also sees the folly of backing Russia and ruin.

Meanwhile, international finance is doing its utmost to engage the United States in the caldron of warfare. Propaganda, Preparedness and Patriotism—like the three witches in "Macbeth"—are brewing their mystic potion to poison us with the same madness that engulfed America in 1917. Under the guise of preparedness, we are asked to vote naval appropriations that cannot possibly be used for ten years, to produce bond profits for financiers.

America, beautifully isolated by nature from the turmoil of continental Europe, can only be entangled there by the intrigues of financial commitments. Will America, therefore, join Russia and ruin, France and impotency? Or, will Americans think, and in their own turn, break with the godless international financier?

It may be a novel thought to picture the German chancellor, and his so-called "fascist" allies, as the champions of Christian social order against the forces of anti-Christian chaos. However, in the interest of Christianity and civilization itself, the menace of Satanic disorder leaves the western nations no choice.

It is Civilization or Communism: Christianity or Chaos!

Mr. Kennedy 'Corrects' Mr. Hull

SOMEWHAT sharply in contrast to Secretary Hull's prediction that America cannot hope to "remain isolated from another world disturbance," Joseph P. Kennedy, new United States ambassador to London, asserts that America's foreign policy is to be made as we go along.

In other words, it is the Kennedy thesis, that there is nowhere any basis for knowing in advance what position the United States would take under circumstances which cannot now be foreseen.

"My country," said Mr. Kennedy, addressing members of England's Pilgrim Society, "is unwilling to bind itself to any course of action in the future without an opportunity to examine the situation in the light which then envelopes it. This attitude of the United States is not well understood."

In some quarters, this attitude has been interpreted to mean that our country would not fight under any circumstances short of actual invasion. Others seem to imagine that the United States could not remain neutral in event of a general war. One view, the new ambassador observes, is "as dangerously conceived a misapprehension as the other."

The fact that one of these views is virtually the Secretary of State's own words a day or so before, makes Mr. Kennedy's first public address in his new foreign post more than usually significant. Observers of European affairs saw in it a "qualification" of earlier commitments on behalf of this country, and a new assertion of American independence.

Where Secretary Hull's confident assumption of Anglo-American co-operation, in the event of a new world crisis, raised optimism and hope in the British mind—and gave substance to reports of an "understanding" arrived at a year ago by the political financiers—Mr. Kennedy's reassertion of Yankee independence created a shock of surprise and an after-effect of pessimism.

Americans as yet refuse to believe that another war is inevitable. Hence, they do not approach world affairs in the spirit of fatalism that has become a habit with the continental mind.

However, Mr. Kennedy assured his English audience that America "will be glad to join and encourage any nation or group of nations in a peace program based on economic recovery, limitation of armaments, and revival of sanctity of international agreements."

It will be instructive, and interesting, to note the trend in Anglo-American relations, whether to the "right" of Mr. Kennedy's independence or to the "left" of his superior's assumption of co-operation.

A New Steal

RECENTLY it was revealed that approximately $6,000,000,000 had been set aside by Congress for the construction of warships. Now that another billion-dollar bill has also slipped through Congress, we have a total of $7,000,000,000 appropriated for naval construction since 1934.

When it is considered that almost five of the seven billion dollars as yet has not been spent nor can be spent before several years will have elapsed, America is beginning to ask itself what has happened to all this appropriated money.

Are the bankers already collecting interest thereon?

Have the Federal Reserve banks already made the bookkeeping loan of the $5,000,000,000 worth of bonds to redeem bonds already overdue; bonds which the New Deal government already obligated itself to?

But a more pertinent question comes upon the horizon of thought: It is thoroughly assumed by all informed persons that the Federal Reserve Bank will be nationalized before another year. Now Mr. Roosevelt's New Deal government is not about to nationalize the Federal Reserve Bank for the good purpose of permitting Congress to issue and regulate money. Is it beyond surmise that the New Deal government is planning to nationalize the Federal Reserve banks in order to obtain their records and their books and their bonds with a determination to either destroy or hide them so that the appropriations for the navy (unspent) and other appropriations (unspent) will not appear before the public to the detriment of the tricksters of the New Deal bookkeeping system?

There is food for thought in this most astounding possibility.

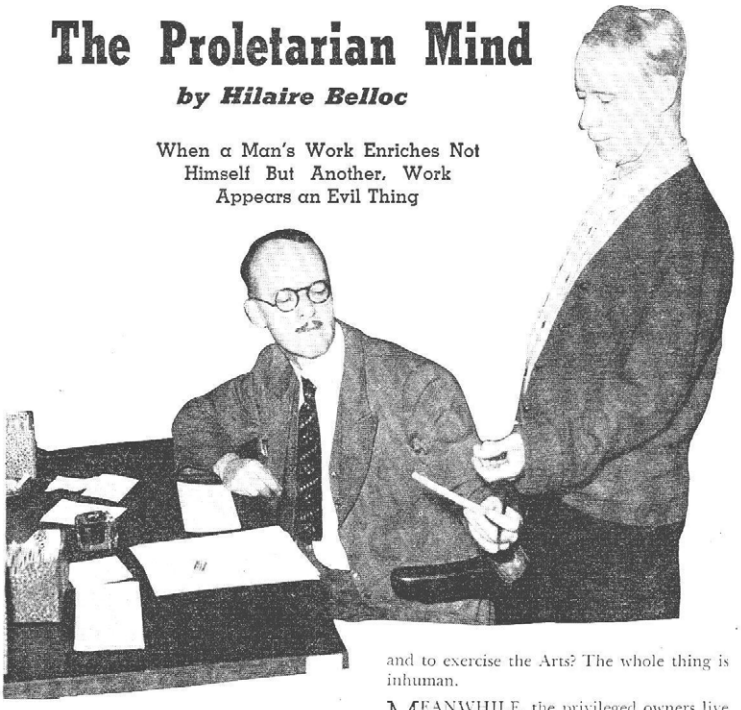
To be sure, the New Deal is not nationalizing the Federal Reserve Bank for the welfare of the people, because it is well known in political circles that the McAdoo-Glass bill permitting branch banking will also be passed contemporaneously with the passing of the nationalization of the Federal Reserve Bank. This will admit the private issuers and regulators of money to carry on from New York City, as per usual. The Federal Reserve banks will simply dry up and burst, once the government touches them. The new setup controlled by the 10 or 15 large New York banks with branches in every city will start fresh and clean as if nothing had happened.

Oh, well! Who runs and ruins America, anyhow? As usual, the powers behind the White House throne!

The Proletarian Mind

by Hilaire Belloc

When a Man's Work Enriches Not Himself But Another, Work Appears an Evil Thing



THE SMALL OWNER of old days—farmer, craftsman, boat-owner, storekeeper—was a fully free man.

He possessed the instruments of his livelihood, no one could take them away and so take away his livelihood with them. He thought as a free man. He estimated his well-being in terms of property. He did not think of property as the privileges of a few, or as an unfair advantage: he thought of it as a natural condition of life, enjoyed by most citizens. He inherited property—especially his house and land. He left it to his children. When he made a contract freely with another free man, he felt bound to observe that contract and felt it no grievance that the other party should require him to do so. He took his share of the public burden, paying, out of his own money, certain sums for public purposes: in those days sums small compared with his total earnings. It was natural that he should help to decide with his fellows how public funds thus formed should be spent. So the whole democratic system could work easily and well.

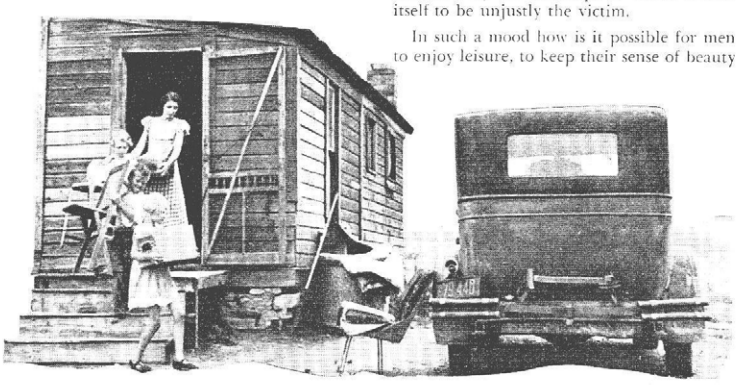
His labor enriched him. It paid him to be a hard worker. If he was slack in his work he was blameworthy, not only in the eyes of his neighbors, but in his own eyes. Such men forming the most part of the commonwealth gave society its tone and spirit. Those who were not owners could become so by saving and, after serving other men, could become independent in their turn.

Society was inspired politically by the Free Mind, which is in harmony with man's nature: for all men have Free Will.

But when this free man sank to be a proletarian, deprived of property, wholly dependent upon a wage, his mind gradually changed. At last he became a man with a *proletarian mind*. To the *proletarian mind* work is an evil, a burden wrongfully imposed by another.

The proletarian knows that his work enriches not himself but somebody else. He cannot, by saving, in a proletarian society, acquire independence as a small owner; for in a proletarian society the small owner is ruined. An exceptional man can rise out of the proletariat into the privileged owning-class, but he does so at the expense of his fellows. The mass of him can never be other than proletarian, or at least the proletarian mind gets into that mood and is fixed in it.

THE proletarian mind feels every incentive to spending what it earns and no incentive to saving, just as it has no direct incentive to work save for the necessity of keeping alive: and livelihood which is, in social justice, no more than his due, is not the product of his own choice and effort, but is doled out to him by another.



His ideal can only be to get as much as possible for as little effort as possible. In pursuing that ideal his capitalist master sets him the example; for the owners who in a capitalist state (that is, a proletarian society) are a privileged minority. They live by profit and by obtaining as much as possible for as little effort as possible—often with no effort beyond the gambler's effort.

The proletarian mind is not conscious of duties to the commonwealth, save, still, in one particular, that of patriotism; and even this is growing weaker with the proletariat as proletarian conditions grow more hopelessly permanent.

Far worse spiritual consequences follow. The proletarian mind loses the sense of home. For a proletariat has no roots. It drifts from place to place. Its habitation is "the labor market." It inherits nothing and has no hope of handing on anything to posterity. To tell the plain truth, the proletarian mind despairs. So do the minds of its masters, for the evil we do to others bears fruit in ourselves.

The proletarian mind cannot but fall into hatred of its oppressor and that hatred is enhanced by the contempt of which it feels itself to be unjustly the victim.

In such a mood how is it possible for men to enjoy leisure, to keep their sense of beauty and to exercise the Arts? The whole thing is inhuman.

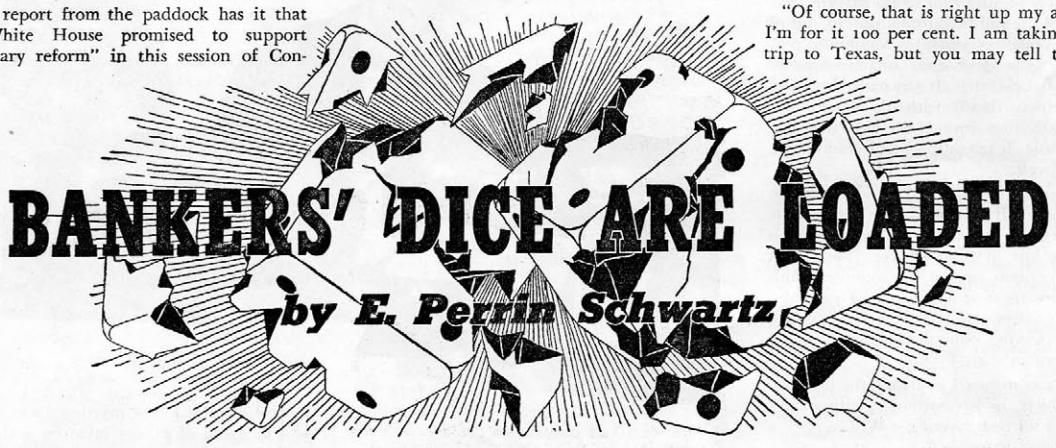
MEANWHILE, the privileged owners live in dread of falling into the proletarian condition. That catastrophe lies before them on every occasion and this dread affects especially those who think wrongfully to benefit by the sufferings of their fellow men.

The proletarian mind easily adheres to the profession of democracy. It will acclaim leaders who talk of democracy. But it is incapable of democratic action. It has forgotten what it was to be free. That is why modern industrial capitalism, as it is called (but we know that its true name is "proletarianism,") more and more in one country after another accepts a despot and under whatever name the despotism is labelled looks to it for its salvation from its misery.

There has never been such a mood before in the history of the world and of its nature it cannot endure, but in passing it may breed something worse still. Never before has there been a social system based upon destitution combined with political freedom; upon free citizens, lacking economic freedom.

Note particularly that the worst feature in the whole affair is the lack of human bonds. To a man who has not experience of anything but the modern social injustice and who is filled with its bitterness, the strength and value of a human bond, of loyalty, affection, neighborly custom between the poorer and the wealthier man can mean nothing. But to those who have experience of such human bonds, they mean everything.

It is not too late now to attempt a restoration of the old loyalties and personal contacts and long domestic familiarity which humanized and modified and made tolerable the older inequalities among men. When we come to speak of restoring better things we shall not begin by taking the proletarian mind for granted, we shall rather begin by aiming at destroying that mind and substituting for it conditions of economic freedom and the free mind of the free man.



The Patman Bill to Nationalize the Federal Reserve System Leaves Private Banks Free to Issue and Withdraw Money

IT IS always pleasant news that our Congressional Crusaders for an honest money system have ridden out to do battle with the privateers of the Federal Reserve. However much we may wish to cheer these knights in shining armor who wear our ribbon of monetary reform, we in whose cause they joust, must nevertheless hesitate to place our wagers on the outcome.

Political wood-sawing behind the scenes in Congressional committee rooms, has sidetracked the "honest money" feature of the Binderup bill for an administration-supported half measure—the Patman bill to nationalize the Federal Reserve. Regulation of the nation's money is left untouched.

The report from the paddock has it that the White House promised to support "monetary reform" in this session of Congress, provided the legislation to be introduced were patterned along lines dictated by the President. That is to say, by the President's Wall Street advisers.

Permissive legislation, passed under such dictatorial auspices, is simply a further voting away by Congress of its constitutional right to regulate the nation's money. Reform at the base of the money structure is our country's imperative need; not any suicidal compromise of step-by-stepism. Driving the money changers from the temple of America must be made something more than a rhetorical metaphor.

For example, the Patman bill while nationalizing the Federal Reserve Banks would, nevertheless, permit the 15,000 private banks of the United States to go on minting and unminting credit money as in the past. This is pointed out as a direct result of administration "dictation." Violent protests by Charles G. Binderup of Nebraska, head of the drafting committee, and of other honest money experts were disregarded.

The rejected Binderup bill, it will be remembered by readers of SOCIAL JUSTICE, not only provided for taking over the 12 Federal Reserve Banks by the Government, *but required all private commercial banks to keep dollar for dollar behind their demand deposits,* as advocated by Prof. Frederick Soddy, the English economist, and Prof. Irving Fisher of Yale University.

THE Patman bill, it is objected, provides two controls: one by a Federal monetary authority, and the other by the private banking system still clothed with its old power to manufacture and inject its own credit-money into the exchange of the products of trade and production. This is playing the game with loaded dice! The bankers provide new dice but they are Indian cubes—all "Little Joe!" It's the old coin trick of "heads I win, tails you lose!"

Thus, while pretending to give monetary reform a chance to see if it will work, administration leaders allow the bankers to misplace a few screws here and there to guarantee that it will not work.

"The design of the Patman bill is not unlike that of a powerful motor car, equipped with two sets of steering gear and two chauffeurs, each with his own interests and destination," declares Herbert Bruce Brougham, who was financial consultant for the Congressional steering committee which drafted the money bill.

If it be granted that, conceivably, Uncle Sam might still wield some measure of control over the two chauffeurs, it must also be admitted that he would assume the role of a back-seat driver, expostulating and alternately alarmed as the car zigzagged from one side of the road to the other under the opposing wills of the drivers.

Mr. Brougham, a specialist in economics and finance, formerly associated with Prof. Fisher and for several years on the editorial staffs of the *New York Times* and *Public Ledger* of Philadelphia, resigned as consultant for the committee the day it adopted the Patman-Leo Crowley version of a money reform bill.

The bill, in Mr. Brougham's opinion, represents an "impossible compromise of principle." It copies the Canadian Central Bank Act, which really uses the government ownership of the Central Bank of Canada as a cloak for the continuance of private credit issue by the Canadian branch banking system.

But in Canada a certain co-ordination between public and private credit issuance is possible, because the system of branch banking there permits close concert of action in executing a predetermined credit policy. The independent banking system of the United States, on the other hand, permits no such concert in carrying out a consistent private policy of credit issue, save in the case of a few powerful banks, chiefly in New York City, which have organized their own branch and correspondent banking system.

The right way to smash such combinations, and to stop the private minting of credit, according to Mr. Brougham, is laid down with great skill in Mr. Binderup's "100 per cent money" bill (H.R. 7627) which, in effect, declares:

"You must not sell, or loan, our supply of dollars short, by loaning an intangible thing called credit, fountain-pen money, merely credit on your books, and demand in repayment when obligations are due a tangible thing called dollars, that you know have never been made, printed, or supported by the nation's credit."

CONGRESSMAN BINDERUP had the advice of Irving Fisher, Robert H. Hemphill, Frederick Soddy, and Prof. Cassel of Sweden, as well as Mr. Brougham, in constructing his "honest money" bill.

In a conference between Messrs. Patman and Binderup last spring, when Mr. Binderup submitted the drafting committee's bill to Patman as chairman of the main committee, Mr. Patman said:

"Of course, that is right up my alley, and I'm for it 100 per cent. I am taking a brief trip to Texas, but you may tell the other members of the committee that I go along with you on the bill as you have drafted it, with the provision for 100 per cent reserves."

But when Mr. Patman returned from Texas, he amazed the committee by denouncing the 100 per cent reserve feature and said he was not convinced that it was feasible. The result was the submission of two money bills; one of them Mr. Binderup's and the other a bill drafted by Mr. Patman with the aid of Mr. Roosevelt's Leo Crowley, head of the Federal Deposit Insurance Corporation.

This Patman-Crowley version of a monetary reform was "railroaded" through at a meeting of the informal steering committee, notwithstanding the protests of many members and the financial experts.

As long as party-ism is in control of government, Congressional attempts to pass permissive legislation will be the football of politicians. As long as Congressmen act under dictation they forfeit, and destroy, their own constitutional power to initiate legislation.

The nation's vital problem of distribution can be solved only through regulation of an honest medium of exchange. The discarded Binderup measure sought to put 100 per cent reserves behind the issuance of private bank credit. The Administration "dictated" the substitution of an inadequate half-measure.

SOCIAL JUSTICE will support the nationalization of the Federal Reserve, but it cannot support the Carter Glass branch banking scheme, nor can we lend aid in permitting the private bankers to issue credit money into circulation—as the Federal Reserve Bankers now do, and as 15,000 private banks would continue to do under the fatal step-by-stepism of the Patman proposal.

SOCIAL JUSTICE invites Senator Thomas and Representative Patman to join Mr. Binderup and his informed monetary advisers in the preparation of a real "honest money" bill that, once and for all, will go full sled-length in rectifying our monetary situation.

LABOR LEARNS ITS POWER

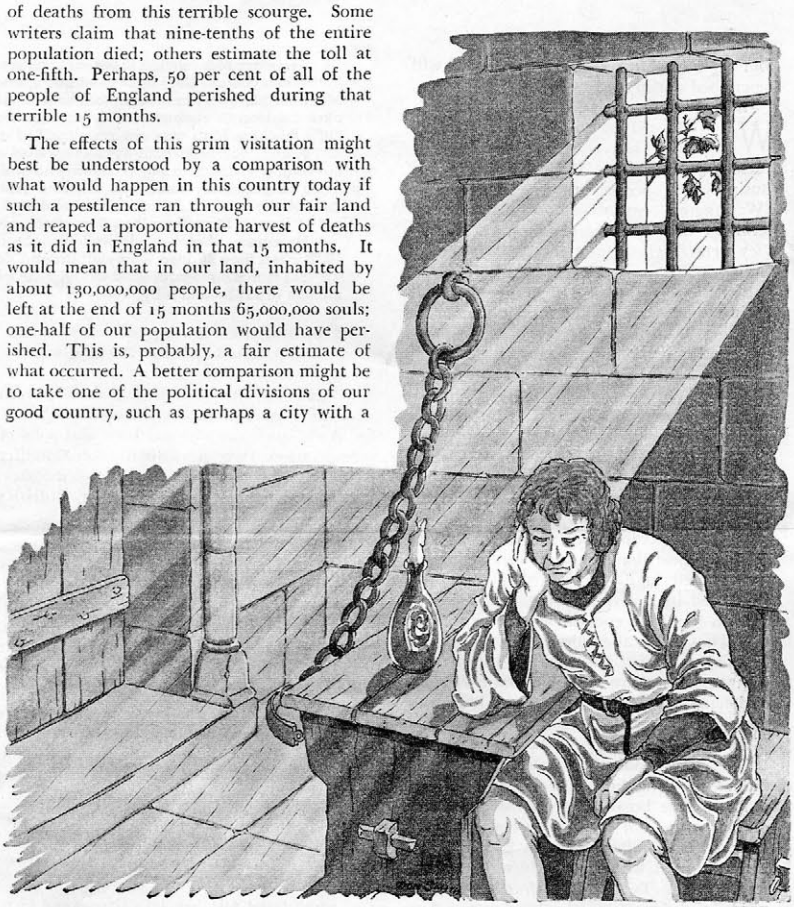
by Joseph Bondy

Decimation of English Population By Black Death Created Scarcity of Workers, But Statute Thwarted Emancipation

THE Black Death reached England in August, 1348. Its coming had been heralded by perturbed and frightened travelers who, returning from the Continent, told of a horror that was taking the lives of humanity. When it reached England, it spread first towards the west and then towards the northeast, appearing in London in the early fall of 1348. It was at its height in Surrey and Hampshire in the spring of 1349 and in the northern and eastern counties during the summer and early autumn, ending in that year its first visitation towards the close of the year 1349.

There are different estimates of the number of deaths from this terrible scourge. Some writers claim that nine-tenths of the entire population died; others estimate the toll at one-fifth. Perhaps, 50 per cent of all of the people of England perished during that terrible 15 months.

The effects of this grim visitation might best be understood by a comparison with what would happen in this country today if such a pestilence ran through our fair land and reaped a proportionate harvest of deaths as it did in England in that 15 months. It would mean that in our land, inhabited by about 130,000,000 people, there would be left at the end of 15 months 65,000,000 souls; one-half of our population would have perished. This is, probably, a fair estimate of what occurred. A better comparison might be to take one of the political divisions of our good country, such as perhaps a city with a



population of 100,000. At the end of 15 months there would remain a bare 50,000. *In other words, in such a city there would be 280 deaths per day for every day, including Sundays, for 15 months!*

Of course, there were no great cities as we now know them, nor was the population dense, excepting in a few of the cities of England. Yet the calamity can only be visualized by a comparison such as is here attempted to be set forth.

The plague was by no means confined to the laboring classes, but the consensus of opinion is that the death rate was highest, as it always is, among the poor.

IMMEDIATELY following the plague, complaints as to the scarcity of labor of all kinds, especially agricultural labor, of exorbitant wages demanded by the laborer fortunate enough to survive and the inability of the land owners to till their soil, arose.

Parliament was unable to meet on account of the pestilence and, in the emergency, the king and his council issued an order on June 18, 1349, known as the "Ordinance of Labourers." The seriousness of the labor problem is given as one of the reasons for the summoning in February, 1351, of the first parliament after the plague; the statement made in the House of Commons that "the decree of the king's council is not obeyed" was met by the enactment of the "Statute of Labourers" as a supplement to the order of the king's council. The object of the ordinance and the statute was to secure *and hold in place* an adequate supply of laborers at the rate of wages prevailing before the catastrophe.

When the agricultural laborers and other laborers found that so many of their kind had been carried away by the plague, that there was a scarcity, they immediately wandered from one place to the other always seeking better terms, conditions and higher pay.

The notable feature of both these enactments is that they constitute the first important attempt of the central authorities to apply to the country as a whole uniform legislation on the question of wages and prices. These matters, prior to that time, had been left to local control.

In the first ordinance issued by the king's council, the penalties for infringement in the compulsory service clause was imprisonment until security for good behavior (which meant the performance of labor) is given. A penalty was placed upon both the giver and the taker of any unlawful wages in excess of the rate fixed by the act or of illegally hiring a serf bound to the soil elsewhere. Sometimes the penalty was treble the amount of money illegally taken.

In the case of agricultural laborers, refusal to swear obedience to the articles and the breaking of the oath where sworn was punishable by the stocks or imprisonment, or both.

In the case of artisans, the penalties for breaking their oath was a fine or imprisonment. The imprisonment was to last until proper security was given that the offender would obey the law. For the breaking, too, of his oath of obedience for the first offense, the offender was punished by imprisonment 40 days; and for the second offense for three months, and the complainant had a legal remedy to recover from the offender any damage he may have suffered.

HAD IT not been for the "Statute of Labourers" and its rigid enforcement, the plague might actually have emancipated the surviving serfs, villeins and slaves bound to the soil. These men found after their survival that they formed a most important part in the carrying on of the work of humanity; they found further that the overlord, the gentleman, the nobility, could not eat unless they toiled, and that they were a most important part of the economic life of the nation. Realizing this for the first time in many hundreds of years, they had a vision of hope that sometime, somehow, somewhere, they would be given the rights that, in their ignorance, they only dared to dream of and did not fully understand; the rights that legend and tradition, seeping down from the Anglo-Saxon days, were known to some.

But the fact remains that because of the terrible calamity, the visitation which we know as the Black Plague or Black Death, the laborer who had been a slave was conscious of his power; and no matter how lowly the condition of a human being may be, when he realizes that he has a power, there is an intuitive desire to exercise that power for his own good as the Maker had intended it should be exercised.

Human rights do not come from government. Any document, no matter how revered, or by whose great hand it was written, or by whose great brain it was conceived, that tells of the rights of life, liberty and of the pursuits of happiness, only attempts to re-state and re-vitalize the rights that actually exist in nature and come from the Infinite.

So, after the "Statute of Labourers" was passed with its penalties; with the knowledge that came to the lowest strata of human life in England, that they were a necessary part of the economic plan of the universe, there came an unrest that even the law and the penalties of the law could not extinguish.

THE "Statute of Labourers" contained eight clauses:

(1) No person under 60 years of age, whether serf or free, shall decline to undertake farm labor at the wages which had been customary in the king's twentieth year (1347), except they lived by merchandise, were regularly engaged in some mechanical craft, were

See POWER Page 18

Welterweight Business Man K. O.'s New Deal Palooka To Upset a Fixed Fight!

MADISON SQUARE GARDEN, were it enlarged one hundred times, would have been too small by several acres to accommodate the sporting fraternity for the original David-Goliath bout. Just imagine if Joe Jacobs had been on the job! Wowie! The old print shops could turn out all the paste-boards possible at 50 smackers a throw. It would have been a holiday for the scalpers, as the sportsmen trundled on their eight-cylinder camels from Egypt, and flew on their quadruple asses from Rome, to the ringside of the Philistines for the greatest contest ever held in the annals of fistiana.

In the seventeenth chapter of the first Book of Kings, sometimes referred to as the first Book of Samuel, I find out that the ancient Madison Square Garden was roped off at a little town named Socho in Juda. Spell it Socho, if you will., We Americans prefer "Socko," because socko it was!

Of course the odds were ten to one on the big bruiser. Amidst tumultous yelling on the part of Goliath's backers, and a crescendo of steam-engine hissing originating from the seried thousands of Israelites (ah, heck, let's call them bronx cheers—Bennie, be yourself, be yourself); well, amidst something which we will call cheers for palooka and jeers for David, the battle began.

Meanwhile, Joe Jacobs Morgenthau was counting his shekels. Mordecai Ezekiel had just commandeered all the caravans available to haul them home. In the press row the scribes and pharisees were hammering off their releases. Their boss, gesticulating into a loud speaking arrangement, filled the valley of Terebinth with this summary of prognostications: "Here comes Goliath of Geth. Oh, baby, what a boy he is—six cubits and a span high! He'll murder David. There he comes. His dome is encased in a helmet of brass. No dressing gown of silk for this slugger. He wears a coat of mail with 5,000 sicles of brass scales. Ladies and gentlemen, of course you heard the rumors. On reliable information I hear that he is afraid of getting a kick in the shins. There must be something to that. Ye gods! Look at the shin guards—six feet high and made of solid brass!

"Believe it or not, he walks nonchalantly, doodling his spear in his fingers, and what a spear! It's like a weaver's beam. It weighs a

DAVID AND GOLIATH In A Comeback

by Ben Marcin

Secretary Morgenthau is planning for a return bout between the New Deal and the Small Business Man.

When Goliath New Deal went into spring training for his last meeting with little Dave Business Man, Manager Morgenthau thought that he had selected a stooge, or another set-up. True it is that Dave was once the world's champion and had a reputation of being fast and tricky with his bare knuckles. But the Little Business Man was always classified as a welterweight.

About 1932, with both eyes blackened and his head reeling with punch-drunkenness, he retired from the ring, a victim of a big palooka who weighed over two hundred pounds.

This palooka's name was Goliath. Just recently, when the Washington sports writers were digging through the palooka's trunk, they discovered a pair of gloves which he had used in whaling the daylights out of Dave. More than that, they discovered that the gloves were loaded with lead slugs!

No wonder that the little welterweight, Davie, was crashed to the canvas by the big monopolists in 1932 when they strutted their stuff up and down Pennsylvania Avenue!

But things have happened today. The following is a story of what Dave did to Goliath in the early months of 1938—and why.

ton. No wonder the odds are that David will be crashed out in the first round!"

Oh, nertz, this story has gone far enough. WE ARE still in the land of "Socho." History is but repeating itself in the person of Goliath New Deal and David Small Business. But Socho has been rechristened "Washington"—and what a socking the small business men were supposed to take when they went down to meet the old "baseborn" Goliath.

Last February, when a thousand small business men were invited to Washington by Manager Dan Roper to fight it out with Goliath Roosevelt and his seconds and abettors, the cash customers really saw something. Of course the fight was fixed. Roper hand-picked the temporary chairman, or referee. Twelve representatives of the 1,000 small business men were permitted to bask in the sunshine of the presidential smile, but they did not even present the actual resolutions adopted by their training quarters management. They accepted all the rules. Goliath carried a spear that weighed a ton. His dome was encased in more brass than had been fabricated in America during the past year, and his legs were encased in greaves six feet tall. Those were the rules.

And little David, who had lost his shirt and his trousers, and even his democratic weapons of defense, was permitted to wear a loin cloth and carry a couple of stones that he had picked up on the banks of the Potomac.

But, shh!—inside the loin cloth Dave had hidden the sling-shot of free speech.

Round one began. The men of Israel and of Philistia yelled bloody murder, as David emerged from his corner. The poor boy was beside himself with fright. He wasn't organized properly. To sock Goliath on the jaw, he needed a ladder from the Washington Fire Department. So he talked and talked with himself and scratched and scratched his head. Surely, it looked like the day was won by the Philistines. Their reporters ridiculed David and broadcast to the nation that he was a nitwit. And newsreel men depicted him as a fool as the round opened.

Swish! David toppled over from the breeze of Goliath's sword that missed his dome by a bare inch. His friends thought that he would contract pneumonia from the draft. But, oh, how he could run! Around the ring of "Socko" he circled and circled. Sometimes, he ducked between Goliath's legs. Sometimes, Goliath stumbled when he smashed where David wasn't. The bell saved the day—and Dave.

Round two. Dave emerged from his corner filled with advice and courage. Suddenly, he reached into his loin cloth, pulled out the sling-shot, fixed the stone securely in it, and wham!—right between the eyes, he caught Goliath who went down for the count.

Consternation filled the hearts of a million spectators.

"Yoi, yoi, yoi, I lost my bet!"

"Get up, you big bum! Get up, you big bum!"

"Kick him out of Washington! Kick him out of Washington!"

Amid such catcalls and boos and sobs of desperation, Dave puts his foot on Goliath's throat, struggles with the sword of democracy, lifts it high and lets it fall right on Goliath's neck where it belonged.

IN THE first Book of Kings, or Samuel, chapter 17, verse 51, we read of the climax of Dave's victory:

"He ran, and stood over the Philistine, and took his sword, and drew it out of the sheath, and slew him, and cut off his head. And the Philistines, seeing that their champion was dead, fled away."

As a result of the small business men's meeting, approximately 5,000,000 voters fled away from the Goliath of the New Deal and 10,000,000 more Philistines went scampering to the Bronx and other unknown parts.

The remaining verses, of the chapter referred to above, describe it in detail although these verses were written 2,000 years prematurely.

Some facts? Oh, yes, let's have some facts. Palooka is dead—the great, big, baseborn palooka, with his dome-covering, sometimes referred to as the brain trust. His spear is busted. You may refer to it as the spending power. His greaves are dented. Some simple minded people refer to these as the NRA and the AAA—left foot, right foot, hay foot, straw foot. Philistinian taxation is suffering from indigestion.

The *Congressional Record* of February 10, on Page 2365, has the following to say:

"As the conference of little business men opened, a chairman, who is probably an estimable gentleman from the personal standpoint, nevertheless, was hand-picked and railroaded through by the Department of Commerce. He, himself, admitted to a *Cleveland Plain Dealer* reporter that he was surprised 'when Assistant Secretary of Commerce Draper picked him.'

"When many of the delegates were denied the privilege of the floor in the opening session, it was promised that they would have the chance to discuss the resolutions as soon as they came back to the general meeting from the group conferences. Sixty to 75 resolutions were brought out of the group sessions, many of which thwarted these repeated efforts to control the meeting. When it came time for the entire conference to act on them, a motion was made that the whole bunch be adopted in one batch. Without fulfilling the promise for a chance to discuss the resolutions, the chairman called for the vote. No opportunity was given for separate action on questionable or debatable resolutions. Then, to make all these other matters worse, the chairman declared the resolutions adopted without even taking the negative vote! Similar tactics were frequently used.

"The Department of Commerce assigned members of its staff to the conference, who engaged in lobbying tactics amongst the delegates. A written order was issued by the Secretary of Commerce forbidding others to attend the meeting without specific permission from one of his assistants named in the letter.

"Congressmen who desired to have persons included in the conference were compelled to work through James Roosevelt.

"Contrary to the printed program, which announced that the session for the final day would continue discussions until 5 o'clock, the meeting was hastily adjourned after the unusual voting methods. It got too hot.

"Here are ten definite citations of attempted control. They are established in actual record and proof.

"At the conclusion of the meeting a story on page 1 of the *Washington Post* said:

" 'To a man the delegates buttonholed were firm in their conviction the meeting has been railroaded.'

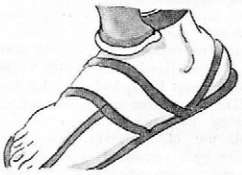
"Is it any wonder that there was hell to pay and that a great many men who came to the conference to engage in conscientious discussions of the problems of the small business man were filled with bitterness and resentment? Is it any wonder that a substantial number of them even left the conference in disgust?"

NO WONDER small business took a sling-shot at the big palooka of the New Deal! Fortunately, that stone from the Potomac was left on the banks by Washington when he didn't throw it to the other side of the river. It was left there since 1776, or thereabouts, for little David Business Man to throw

between the eyes of the great big bluff. That it registered is a benediction to all.

The little business man was aware of the following facts, which I quote from Page 2300 of the February 9 *Congressional Record*, from a speech delivered by the Honorable Robert G. Allen of Pennsylvania. He says:

"I have before me an accurate survey of the incomes of various economic groups in different parts of our country. I have not chosen extreme cases which might distort the presentation I am trying to make. Rather, I am presenting a cross-section of a condition which is almost inconceivable. In New Jersey, a state



which we consider well advanced, 50,000 working people are paid between $5 and $8 weekly; 34,000 receive less than $5 weekly; 292,000 are paid a wage below $17 for a week's work. There you have 292,000 potential consumers, if you please, decidedly eager to consume but unable to do so for obvious reasons.

"One-half of the total families in the village of Albany, Ga., receive an annual income of $633 or less, while tobacco workers in certain parts of Kentucky labor 280 hours each month at 11 cents an hour. In Beaver Falls, a few miles from where we sit, over 50 per cent of the families in that community receive less than $24 each week. Remember that the average American family is four persons. I challenge any one to tell me how human beings, American citizens, can exist in a decent manner on these pitiful incomes, let alone consume the produce from our factories. We cannot expect people to be good citizens when we deny them the blessings of citizenship.

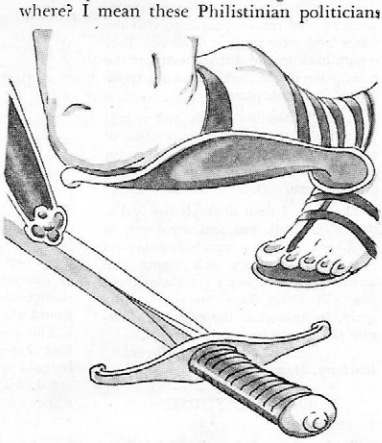
"There are approximately 31,729,000 farmers in the United States. In 1937 their average cash income was $269 per year. It would take an economic Houdini to figure how this vast segment of our population can purchase our steel products from Pittsburgh on these pitiful incomes. I wish to be a little more specific, so let me elucidate another angle of this problem. In Chicago one out of ten wage earners with incomes ranging between $500 and $1,000 annually owned automobiles. Among families enjoying $5,000 or more, nine out of ten reported automobile ownership.

"Let me repeat that one out of ten in the lower-income group and nine out of ten in the higher-income group owned their own automobiles. In America only 500,000 people enjoy annual incomes of $5,000 a year or over, while the great majority hobble along on an average of $1,250. I realize that statistics are dry and uninteresting, but here they prove pretty conclusively why we can't sell more autos, why great factories are idle, why millions are unemployed.

"Here, I believe, we have the answer why we cannot consume our output. Business today needs customers even more than confidence. A sufficient percentage of the benefits of this machine age have not been passed on to the masses of our workers, and we must increase the incomes of these submerged millions before economic balance can be restored."

LITTLE BUSINESS MAN, quo vadis? Do you plan to follow up your victory?

Now that you have returned from the valley of "Socko," what do you plan to do with the Philistines in Detroit, Cleveland, Philadelphia, St. Louis, Chicago and elsewhere? I mean these Philistinian politicians



who sit on the hillside and applaud their Goliath, "the baseborn," as the Scripture describes him.

Chase them out! Chase them out!

The fifty-second verse of the chapter of Scripture, which I have been quoting, says:

"And the men of Israel and Juda rising up shouted, and pursued after the Philistines till they came to the valley and to the gates of Accaron. And there fell many wounded of the Philistines in the way of Saraim, and as far as Geth, and as far as Accaron."

In other words, why not join in a corporative union, Little Business Man, and put the boots to all the supporters of that great, big palooka, Mr. Goliath.

RE-ESTABLISH BROTHERHOOD

To the Editor:

As one of the invited "little businessmen," I went to the Washington conference called by President Roosevelt.

I presented my program, but didn't get to first base, of course, because the avarice of those assembled made even superficial consideration impossible. Almost everyone came with a personal axe to grind and no one seemed to care about the other fellow.

It is my contention that if we want to re-establish democracy in full and preserve whatever little is still left, we must go out into the world and teach our brothers the meaning of the word "democracy."

—A. Kraan.

Egg Harbor City, N. J.

PRICE-FIXING BY LAW

To the Editor:

Fixed prices should not be legislated upon the people in the nature of a compulsory measure or a code. Rather, fixed prices on our raw products of a relatively imperishable nature should simply become a fact through the existence and operation of Federal agencies, stores or warehouses that continually guarantee purchase and sale of all forms of raw wealth at prices fixed by Congress upon sound and equitable bases.

From time to time, fixed prices on raw wealth may come up for revision by Congress in accordance with the relative or exchangeable values thereof.

Congress should aim to establish a publicly-owned surplus of all forms of raw wealth, the accumulation of which, with sound money practice (not with the present debt-money), would cost the people nothing except the cost of printing and of handling the goods in storage.

—A. C. Trusler.

Sarnia, Ontario

NO CHANCE TO ADVANCE

To the Editor:

I worked for a gigantic drug concern that practices the "Willmark" shopping system throughout the chain of stores. They employ certain people to visit the stores, and after making purchases, they report back to the district manager the description of the clerk and of the transaction that took place.

At the expiration of six and a half years, I was still in the same position of assistant manager. Seeing no chance for advancement, I left and joined a private drug concern.

The point I want to emphasize is that the chains work you and drive you so hard and bring so much pressure to bear while you are still young and active that if you don't get ahead then, you will never have an opportunity again. In most cases the executives relegate the employees to the discard.

—F. A. Meyers.

Roxbury, Mass.

REPLY TO YOUTH

To the Editor:

This is a reply to the youth who sought an answer to his query about a philosophy of life. He is indeed fortunate to have a questioning mind, because knowledge of eternal truth is the source of all power.

He will find the answer to all things social, economic and financial in the Gospel. The encyclicals of Pope Leo XIII and Pope Pius XI are the latest expressions of the Church in regard to modern conditions based on the precepts of the Gospel.

When he has completed these assignments, he will be amply prepared to face the future undaunted and enlightened.

—E. A. Williams.

Bronx, N. Y.

REPLACE PASSIVE RESISTANCE

To the Editor:

I have heard Father Coughlin's addresses over the radio and have read every issue of Social Justice, but I have never heard or read a word about a possible course of action.

This passive resistance is treated with silent contempt by the money-changers and we are left floundering in the mire of inaction.

Ninety per cent of Social Justice readers are died-in-the-wool adherents of the principles of social justice, and stand ready to gird themselves for action. Why not single out the most important, "restoration to Congress of its sole right to coin and regulate the value of money"?

Let us have action to avert this catastrophe and drive Communism off our shores.

—D. H. Meadows.

Mt. Morris, Mich.

DOLLAR NO MYSTERY

To the Editor:

Due to the indifference or prejudice of the public, the dollar is held up as a mystery when it is no mystery at all. The value of the dollar should be the permanent fixing of the interest rate. Statistics show that the average increase of wealth in normal times is three per cent per annum. If this is true, then three per cent should be the legal rate of interest, inherent, intrinsic and unchangeable. To change the per cent would change all investments.

The people are impressed with the idea that paper money must be backed by gold or silver. They have been educated with that idea. But money is made on material, not of material. Stamped legal tender by a responsible government, it becomes exchangeable for all debts, public or private, and for all uses of money.

To establish a rate of interest, the government should supply itself with elaborated paper as difficult as possible to imitate, and all money should be issued direct by the government and from the government press through the proper agencies to supply all necessary demands—on proper security—at three per cent. No other per cent to be permitted by banks or other parties.

This seems to answer the question of inflation. This money would be backed by a stabilized government with all its wealth of tax paying power. Under this system there should be no depressions or inflation. L. H. Mahan.

Terre Haute, Ind.

INTERNATIONALISTS AT WORK

To the Editor:

How long are we Americans going to stand by and allow a group of Washington politicians to run our government for the benefit of foreigners? It is international influence and propaganda which are controlling and dominating the policies of our State and Treasury departments.

Unless we arouse ourselves to action and get rid of the misrepresentation now going on at Washington, this nation will be at war within this year and it will be a war to once again make the world safe for hypocrisy and make more secure than ever before foreign world domination.

The internationalists are today making their supreme effort to dominate our financial affairs and our foreign relation policies so that our nation will again furnish men, money and materials for the next world war.

I beg of you, my fellow citizens, to arouse yourselves to patriotic action by bombarding your Congressmen with letters and telegrams telling them that no son of yours will ever cross the ocean to be slaughtered on foreign soil.

—J. LeBlanc.

Dearborn, Mich.

WOULD GIVE ALL HOMES

To the Editor:

I agree with you in all the criticisms you have made regarding property rights, but I have failed to discover your remedy or theory upon which all these wrongs may be righted.

I believe that every American citizen is entitled to a homestead free and clear of all incumbrances as long as he chooses to occupy it. The homestead should remain in his family and he should not be permitted to borrow any money on it or hypothecate it for any purpose. Only when he or his family abandons this property should it become the property of the government.

This suggestion is, I know, against the theory and practice of the present administration, whose tactics are to encourage the people to contract debts to the very limit.

Frank Wheeler.

Los Angeles, Calif.

REGULATE COMMODITY DOLLAR

To the Editor:

May I suggest a proposal for the regulation of the commodity dollar.

The government circulates money by undertaking some national project such as a transcontinental highway or the St. Lawrence waterway. An estimate of the money taken from circulation is made and Congress proceeds to print bills or paper money to the amount removed from circulation and proceeds to pay for labor and materials for the above projects.

This is inflation, that is true, but it is limited inflation or the thing which we desire. Congress is then using the power which has long since been delegated to it. Instead of this paper being issued as money, it can be issued as bonds in values of one dollar or upwards and used to pay for services rendered.

In other words, instead of issuing one-thousand dollar bonds and selling them to wealthy persons and paying them interest for the use of this paper money, issue the one dollar bonds, use them as currency, and issue them direct to the working man for his services.

Steele Bailey.

Flint, Mich.

HORMEL POLICIES

To the Editor:

Father Coughlin's theory of the annual wage is penetrating the hide of industry at long last. Jay C. Hormel, head of the Hormel Packing Company of Austin, Minnesota, is using it and finds that the annual wage system has increased efficiency from ten to twenty per cent and that it has given workers more leisure time.

Mr. Hormel also favors and supports with figures the Townsend Pension Plan as a recovery remedy as well as for charitable purposes. He contends that the Townsend plan makes purchasing power and would put money at the bottom of society where it belongs instead of at the top. Under such a system money would be compelled to circulate —it could not stagnate in banks, since it would be pumped through the economic system.

You would not have to borrow it at the bank at a high rate of interest to jar it loose, for it would circulate under pension pressure.

W. J. Daly.

Cresco, Iowa

MANY THINGS TO BLAME

To the Editor:

In answer to Mr. Gurtel, whose article appeared in a recent issue of Social Justice, may I say that no one disputes that foreign concerns are shipping goods into America very freely, and paying high tariff rates; but this importation of goods is not the cause of unemployment in America.

The chief cause of this situation is the contraction of credit money by the Federal Reserve Bankers. These contractions take money out of circulation and consequently, the people possessing less of the medium of exchange, are unable to buy products.

The wild expansions and contractions of credit that follow are the twin Judases that cause so much suffering and unemployment.

—Joseph Fitzpatrick.

Malden, Mass.

GREED SMOTHERS ETHICS

To the Editor:

A great many citizens are amazed thinking of the ever recurring panics, now politely called recessions. The social results caused by these recessions surely tend to undermine our American institutions.

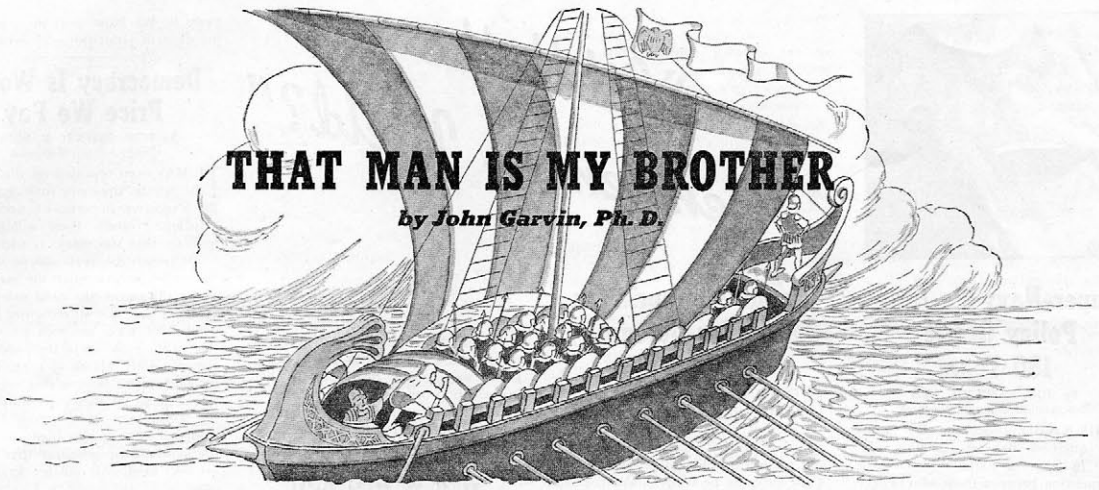
Why do the people so stupidly allow them to occur?

With the multiplicity of schools in our land, are not the economic principles that bear on the causes of panics, made clear to all students, or are such principles smothered?

We wonder if the greed of the money kings outweighs their sense of right and wrong?

E. E. Ohl.

Perrysville, Ohio



THAT MAN IS MY BROTHER

by John Garvin, Ph. D.

MANY THINGS which are acclaimed today by well-meaning people as original solutions of the Social Problem are not original solutions at all. They are original perversions of an old solution known to the Christian Church since her foundation. Take as an instance the cry for a belief in universal brotherhood and the slogan "Let Us Be Brothers." While this almost implies that men are not brothers, it leaves in the air the all-important question "Under Whose Fatherhood?" Communism teaches a kind of universal brotherhood, but under the iron fatherhood of a blind material evolution, and the signs of its brotherliness can be seen in a series of blood-baths reaching from Siberia to Mexico.

The social teaching of Christ, the Son of God, (and it must be remembered that 50 per cent of Christ's recorded sayings are social in character) centers first of all around the Fatherhood of God and the Brotherhood of Men. "Thus, therefore," He said, "shall you pray, Our Father who art in heaven, hallowed be thy name, thy Kingdom come." To His eyes all men were one great family of which He was the Eldest Brother, charged to lead the family back to God the Father.

The very title Christ took for Himself, says Lacordaire, was a revolution in itself. Though He was a man of Nazareth, of a certain trade and social status, and of Jewish nationality, He did not call Himself a Nazarite or a Jew. He called Himself the Son of Man, thus tearing through the distinctions of nationality and class. In a similar way He commanded His apostles to preach salvation to every creature, and it is not long before we hear St. Paul saying "There is neither Jew nor Greek; there is neither bond nor free; there is neither male nor female. For you are all one in Christ Jesus."

THERE is another reason here for the equality of brotherhood, for while Christ had begun by reasserting the original brotherhood of man in the blood of Adam, He preached and founded a Kingdom in which men would be brothers on another basis, and that basis was His own blood, the Blood of the Son of God.

We do not realize vividly enough today the class-shattering effect of this teaching. We do not realize what a blinding revelation it was to a Constantine to hear that the sweating galley slaves under his decks were brothers to him by double right, and that he was chained to them by a law of love. We do not realize what change had come about when a Roman millionaire knelt at the tomb of a martyred

Christ's Social Message Which Transformed a Pagan World Gives Whole Key To Problem of Reform

slave to ask his prayers and guidance. It was as if a group of Wall Street Bankers were to creep to a workhouse mortuary to venerate the corpse of a charwoman who had died through poverty.

Moreover, this new revaluation of man implied a revaluation of every social relation. Since men were to love each other as they loved themselves, it followed that they must be scrupulously just to each other and truthful. The family received a new dignity, for men were to love their wives as Christ loved the Church to which He was wedded, and thus woman rose from her state of degradation to which every law of the period had subjected her. The child received a new dignity, for of such was the Kingdom of Heaven and their angels always see their Father in heaven. How then could infanticide and abortion continue against this ideal?

WEALTH appeared in Christ's teaching at its right level, for "it is easier for a camel to pass through the eye of a needle, than for a rich man to enter into the Kingdom of Heaven." His advice to the rich was simply to sell all and give to the poor, and in any case they were but stewards and administrators of their property under God to Whom they must render an exact account.

Labor, too, was sanctified when God worked with His own hands, and the just living wage was promulgated when He said "The laborer is worthy of his hire." The wage-contract was shown in the parable of the Laborers in the Vineyard to be a contract founded on justice and not expediency. And if any employer were to say to Christ "But I cannot give a just wage without damaging myself," the answer of Christ was just this: "Seek ye first the Kingdom of God and His justice, and all these things shall be added unto you."

This declaration from the lips of none other than God opens up a new world of thought. It was not that Christ merely preached a greater love for wives, a greater respect for children, a juster system of wages and a larger amount of almsgiving than had obtained before. His social message was far different than this. It altered the whole focus of men's vision. They had glued their eyes to the earth and to what it could produce in profit to themselves, thinking of God as an awe-inspiring force. But Christ said, "Look up to heaven. God is your Father and therefore loves you. See how He cares for the sparrows and the meanest flowers. Are not you of much more value than they?" Why labor drudgingly for earthly goods and material profits which will pass away. Labor instead for that which endureth unto life everlasting, which the Son of Man will give you. The nations of the earth, the Egyptian corn merchants, the Greek shipping-owners, the Jewish money-lenders, the Roman slave-owners, they all seek for what they shall eat or what they shall drink. But your Father knoweth that you have need of these things, so "seek ye first the Kingdom of God and His justice, and all these things shall be added unto you."

There is always the desire, among people who belong to the "haves," to think that this message of Christ must not be taken just as it is said; and that there must be some other way of remedying the social chaos of the modern era. But in truth there is no other way than God's and this is God's way, and not until Christians as a whole realize this, can it be said that the social problem of today is on its way to a cure.

History presents many a social revolution, but none of them succeeded except those that were based on literal obedience to this promise of the Son of God. The apostles tramping without staff or scrip, and Francis of Assisi giving his very shirt away . . . these were the true reformers of social inequality and injustice, for only voluntary poverty will drive out wealth and only love will conquer hatred.

"Will the Gentleman Yield?"

Super-Navy To Alter Policy Of Last 150 Years

By HON. HAMILTON FISH
Representative from New York

THIS Naval Authorization Bill is not a question between pacifists and those in favor of national defense; it is a question between those who believe in adequate national defense and those who are advocating a super-navy, not for purposes of defense, but for purposes of aggression. Only a month ago we passed in this House the greatest peacetime navy bill in all history, amounting to $550,000,000.

We have a navy 50 per cent greater than Japan's yet all the admirals testify that Japan must have a navy from two to two and one-half times larger than ours even to attack us. We never were better or more adequately protected at any time in our history than we are today from the point of view of national defense on the high seas.

I am convinced that if we pass this super-navy bill it will change our entire foreign policy as promulgated by George Washington in April, 1793, in which he established our original policy of neutrality and noninterference with the affairs of other nations. This has been the traditional American foreign policy for 150 years, adhered to by Adams, Jefferson, Madison, and Monroe, and by every President and Secretary of State down to these days.

I am convinced this super-navy, requiring additional sums of $1,100,000,000, constitutes a complete change in our foreign policy and translates into legislative actuality the now famous Chicago speech of the President in which he advocated concerted action in policing and quarantining the world.

Why Not Store For Future Needs?

By HON. ROYAL S. COPELAND
Senator from New York

WE HAVE entered upon a great program of so-called farm relief. An effort is being made to maintain the so-called ever-normal granary. Comparison often has been made with the pioneer work of Joseph in Egypt. He, however, was not storing up, in the great storehouses which he built, supplies of grain to maintain a price. He was storing grain to have a supply for the lean years, when there should be famine.

We have never gone very far in our country in giving thought to storing up foodstuffs. Why should we not do so? I can quite conceive that there might be so-called relief projects which would serve immediately to care for those who need employment, but which would serve ultimately to make it certain that nobody should go hungry in the richest country in the world.

That is not the case today. If one should study the food needs, the hunger needs of our people, and chart those needs, a very spotted map would result, but there would be found areas where there is no food to be had except by the greatest effort on the part of public officials.

Naval Appropriation Not For Defense

By HON. THOMAS O'MALLEY
Representative from Wisconsin

NOTHING was said about the rackets that provide the money for the speeches of those representing various organizations that want great armaments and make a business of promoting war. They have not been investigated, and I want to say here and now that for every 10 cents that the peace organizations of this country have spent from their own pockets, to warn the American people against the disastrous road we are following, the munitions makers and their satellites have furnished a thousand dollars to supply the newspapers with propaganda for war.

The record shows that not one of these ships under consideration can possibly be manufactured or completed for five years.

If this is true, then this appropriation for over a billion dollars is not for immediate defense; it is for nothing but a threat to the rest of the world, at a time when we should be the calmest nation in the world where war hysteria is concerned.

Less Than One-Third Really Complained

By HON. PAUL W. SHAFER
Representative from Michigan

IN READING a report of the Ford hearing at St. Louis, conducted by Trial Examiner Dudley, I was amazed at my findings.

The report shows that 278 Ford workers were named as complainants.

Three of those named never worked for the Ford Motor Company at any time!

Two resigned their employment with the Ford Company in March, 1937, long before Local 325 of the U.A.W.A. was organized.

Twenty-one named in the complaint were working for the Ford Company, but declared they did not know charges had been filed in their names.

Forty-five others listed as complainants failed to appear at the hearing to testify as to any discrimination against them.

Twenty-eight of those named as being discriminated against were working in the plant when the strike was called and walked out at that time.

Fifty-eight others who had been notified by Ford officials to return to work when the plant resumed production after a shutdown made necessary by a change of models failed to report for duty.

Four of the complainants were not employed at the time the charges were made because of disability, with compensation cases pending before the Missouri Workmen's Compensation Commission.

Four others had been sent for to return to work as production in the plant was increased, but reported they were afraid to resume their jobs due to threatened labor violence.

This accounts for 195 of the Ford workers, named as complainants, against whom it was impossible for the company to have discriminated, out of a total of 278 listed.

In view of these facts, it is quite apparent that the officers of the National Labor Relations Board in St. Louis were either negligent in their investigation or they were guilty of fraud when they filed the complaint in the names of the 195 men I have listed here.

U. S. Deficit Still Is Mounting

By HON. HARRY FLOOD BYRD
Senator from Virginia

WE WERE told by the President a year ago in his Budget message that the Budget was in balance for the year 1938. All one has to do is to refer to the Treasury statement which is upon the desk of each Senator to see that on February 26 the deficit for the present fiscal year is $1,045,000,000, and I predict that by July 1 the deficit will be approximately $1,750,000,000.

The outlook for 1939 is even worse, because the reduction in revenue occasioned by the present depression will be reflected in that fiscal year. The Budget sent to the Congress by the President anticipates a deficit in the fiscal year 1939, the ninth deficit year, of $1,000,000,000. I predict that that deficit will be nearer $2,000,000,000 for 1939.

I say further that this year the Federal Government is spending as much money as in any previous year, if we eliminate the soldiers' bonus. There are those who think—many citizens think so, and some Senators have told me so—that there has been a reduction in Federal spending. There has not been a reduction in Federal spending. We are spending as much in this fiscal year as we have ever spent, if we eliminate the soldiers' bonus from the years 1936 and 1937.

Mr. President, I am not the only one who has called attention to the disasters which will happen to this country under a continued deficit. I wish to read what Mr. Roosevelt said on October 19, 1932, at Pittsburgh. He said:

"If in some crisis it (the Federal Government) lives beyond its income for a year or two it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, it is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy."

That statement was made by the President of the United States over five years ago.

On March 10, after he came into office, he said in a message to Congress:

"The deficit . . ." (calling attention to the Hoover deficit) "has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed * * * and no effective action has been taken. * * *

"Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. * * * National recovery depends upon it. We must (act) now, and it is my duty to point out a definite road."

Democracy Is Worth Price We Pay

By HON. EDWARD R. BURKE
Senator from Nebraska

IT HAS been repeated on the floor of the Senate, time and time again, that the executive department needs reorganizing. Probably there will be none to deny that statement. If such action was necessary five years ago, or at any of the earlier periods when the matter was under discussion, the need must be far greater today. We all recognize that, for good or ill, there has been a vast extension of the activities of the Federal Government since March 4, 1933. There is little reason to believe that very many, if any at all, of these new burdens will be laid down. It therefore behooves Congress and the President to provide the most efficient administrative machinery consistent with our democratic processes.

I am not willing, in the search for efficient management, to establish one-man rule in this country. It may very well be that if Congress would go home, and stay there indefinitely, and if the courts would cease to function, the President would be able, with all power centered in him, to set up a business-like administration far superior in some respects to anything we have ever known in this country. But few want to go that far, certainly not Congress, nor the President, nor any considerable number of the people. If some waste and inefficiency are necessarily connected with a democratic form of government, we can well afford to pay the price.

By this I do not at all mean that we should countenance overlapping bureaus and boards, nor continue, a single day longer than necessary, any improperly functioning agencies. Every Chief Executive should constantly be on the alert to eliminate waste and extravagance. There are countless improvements that can be made, that will result in greater efficiency and considerable economy, without in any way interfering with the basic structure that has been established.

A Plan To Protect Profit System

By HON. ELMER THOMAS
Senator from Oklahoma

THERE are five spokes to the wheel of industry.

First, the farmer who produces the raw products, and for that he should have the cost of production plus a reasonable profit.

Then, there is the wage earner, who changes the raw product into the finished article. He also should have a fair share of the profit for his labor.

Third, there is the consumer, who should be allowed to purchase the commodity at a reasonable price.

Fourth, there is capital, which should be allowed a reasonable return, but no more.

Fifth, there is the manager, who should receive a fair salary, but no more.

This is a simple program. It is a program to keep up the buying power of the consumer. Here it is:

Give the farmer the cost of production for his commodity and he will buy.

Give the little merchant an opportunity to make a profit and he will buy.

Give the old people an adequate pension and they will buy.

Give the laborer a fair wage and he will buy.

And when all of these buy, the merchants will sell, and when the merchants sell, the factories will hum and prosperity will be a reality.

DAMIEN THE LEPER

BY JOHN FARROW

A CONDENSATION FROM THE BOOK

Published in 1937, at $2.50, by Sheed and Ward, Inc., 65 Fifth Avenue, New York

SYNOPSIS *Coming to the Hawaiian Islands from Belgium at twenty-three, Damien de Veuster poured forth his whole energy in ceaseless activity for the welfare of the natives, hoping to atone for the evil done them by his fellow white men. It was in 1873, when he was just thirty-three, that he made the supreme sacrifice of his life, consigning himself irrevocably to what even the lepers considered a hell on earth, the frightful leper settlement on the Island of Molokai. But that hell, under his sympathetic and practical genius, was transformed into a livable habitation, for with him came new homes, sufficiency of food and drink, order, decency, and above all, hope and cheerfulness. Never satisfied with his tremendous accomplishments, he toiled the more to lighten the lepers' suffering and by music and festivities to cheer them, welcoming the day when he became entirely one of them—a leper.*

CHAPTER SEVEN

"Why don't you rest, Father Damien?" asked one of his parishioners.

"Rest?" he retorted "it's no time to rest now, when there is so much left to do and my time is so short!"

No doubt was there as to whether he had the disease, for within three months after his dramatic announcement to the people the effects of the disease were savagely visible. His foot became entirely insensible, and his right ear, as a result of a tubercular enlargement, became an immense affair. At the same time began the disfigurement of his person in a general manner.

On every side there were dreadful examples of what his own fate was to be. The constant threat of an early and horrible death could not but intrude itself in his mind, yet his only worry was for his charges, a fear that his departure would mean the end of his reforms and a return to the ways of the earlier days of the settlement.

With astounding energy he embarked on new enterprises, and at both the chapels every day the sores of the more hopeless were washed and bandaged with the same meticulous care. He heard confessions, read the burial services, and while his hands remained whole, continued to assist at the digging of the graves and the making of the coffins. Martyrdom might certainly be his, but he claimed no privileges. On the contrary he acted as though the coming of the disease was something to be welcomed, inasmuch as it removed the final barrier between him and his people. "We lepers," he had said, and the utterance of those two words was the seal of a bond that was as binding as an earthly link could be.

Perhaps he realized that the eyes of the entire settlement, and afterwards those of a far wider audience, were upon him, or perhaps it was the absolute certainty of his doom, but a new mood began to envelop him. Hitherto he had always been what is known as a serious man, but now he made it a point always to have a smile and to be cheerful on every occasion. Even the officials were not exempt from this new spirit. From this time onward their relations with him, though perhaps not completely harmonious, were to be more agreeable than they had ever been in the past. No longer was his readiness for hostility so pronounced. Whatever his thoughts were, his actions showed

FATHER DAMIEN

a lessening of the bitterness that had tinged his earlier years.

Where, with his sick charges, he had been kind to the children, nursing, feeding, and teaching them, he now joined in their games, and it became no uncommon sight to see a dozen of the pitiable urchins frolicking around the priest, shouting and laughing, as he walked from his labors to his hut. Formerly with his hammer and chisel he had made only the most practical of articles, but now, if he had an hour's leisure, it would be passed by fashioning a crude toy.

WHEN the Bishop finally heard that Damien had contracted leprosy, he, with the permission of the Board of Health, commanded Damien to report at the Branch Hospital in Kakaako (Honolulu). It was a command that the priest dreaded for he had no wish to leave his people; he made excuses and sent lengthy reasons as to why he should remain on Molokai. But his superior was firm. After as many delays as he could dare, Damien gloomily set about making preparations for the journey and assured his parishioners that he would be back within a few weeks.

There was a reason for the Bishop's persistence. A new treatment was being tried, and apparently with some success, by a Japanese doctor at the Branch Hospital. Known as the Gotu method, it was a complicated and tedious process of baths, massages, and injections of certain drugs. While it was not, nor was it claimed to be, an actual cure, there were some instances where it had both relieved and arrested the sickness.

The scene of these experiments, the Branch Hospital, was a prison-like place where lepers, after the first symptoms of their ailment had been detected, were supposed to wait for shipment to Molokai. Actually, because of the general fear of Molokai and because of the muddled and ever-changing policies of the Board of Health, many remained here permanently and never saw the Island. Although nominally under Government control, this hospital at Honolulu had been conducted since 1884 by a courageous group of Franciscan nuns whose arrival in the Islands for such work was the result of a campaign originated by Damien.

But it had been only upon the urgent request of Government officials that the Bishop at length brought these Franciscan sisters to the Islands. They were headed by Mother Marianne Kopp, a tall, attractive woman, who, like Damien, was to display remarkable qualities of piety and courage combined with initiative and good sense. On arriving at Honolulu they were received with royal honors and presented to the Queen, who was curious to see these white women who aspired to the same fate as Damien.

Damien had hoped that these women would put his work at Molokai on a permanent basis. But the Board of Health, apparently acting on the principle that charity should begin at home, decided that the Sisters should not go to Molokai, but should commence their work at the Branch Hospital, which institution was sorely in need of their services. In fact, conditions there were almost as bad as those that had beset the lepers in the early days of Molokai.

Actually it was a collection of poorly built wooden buildings, set in a seabordered salt marsh, and surrounded by high palisaded walls, around which the water would flood at high tide. The few attendants, monstrously inefficient, who were in charge, had adopted the attitude of jailers towards the lepers, even to the extent of providing cells for solitary confinement. There were no sanitary or drainage arrangements of even the most elementary kind, and the stench of the foul place was a warning that persisted for considerable distance.

Into this place the seven nuns entered and took residence. Their first six months there, among some two hundred lepers of all ages and both sexes, is the same story of Damien's arrival at Molokai. Cleanliness was their first goal. Every corner of the establishment was washed and scrubbed and fumigated. Of course, there were the usual oppositions, even violence. But the calm wisdom of Mother Marianne proved equal to all occasions and gradually the institution took on the semblance of an actual hospital.

WHEN Damien came to this hospital for the purpose of receiving the new treatment, it was a big event in the life of the nuns. He was their hero, the man whose example had brought them across the seas from the tranquility of their cloisters.

When the sisters saw him with his face thoroughly distorted, his nose swollen, his ears misshapen, and his complexion purplish-red, they wept. With solicitous and tender care they waited upon him, anticipating, whenever possible, his every wish and want, exerting every effort to make his stay comfortable. Damien was not used to being treated as an invalid and such a passive role was hard for his energetic nature to accept. It was a torture for him to sit long inactive hours, as the treatment called for, in the hot baths. A cloud of gloom enveloped his restless spirit, and he continually fretted about the affairs of his people at Molokai. No treatment could be of any use to him while in such a state of mind.

So, within two weeks after he landed in Honolulu, he was on a steamer again, bound back to Molokai. Mother Marianne escorted him on board and remained until the ship sailed to bid him farewell. These two, who in so many respects were alike, appreciated each other's worth to the fullest degree. One thing accomplished by his sojourn at the hospital was that he had convinced her that the Sisters were urgently needed at the settlement, particularly for the children. However, both knew that it would take considerable maneuvering with the Board of Health. And this matter was the subject of a last anxious discussion before the ship sailed.

"Hurry," he cried to Mother Marianne, "there is not much time you know."

She nodded and smiled and waved and tried gallantly to pretend that she did not know he was speaking of his death.

That night as Damien was standing at the stern of the ship, staring into the darkness, he was found by the Captain, an American. They had met before. Some years previously Damien had tried to come on board his ship when the law of isolation was more strict, to confess his sins to a priest, his own superior, who was on the ship. But the Captain, upholding the law, had repulsed him. Then it was that in the sight of passengers and crew Damien, from his little boat drawn up alongside the ship, courageously confessed his sins to the priest at the rail.

Now the Captain came to beg his forgiveness, paying Damien what was for him, the highest tribute he could render. He said: "You're the bravest man I ever met."

Damien had been reluctant to write the news of his sickness to his eighty-two-year-old mother, but now after his journey to Honolulu, his story was carried by newspapers throughout the world. At Tremeloo his family read a sensationally written account which declared his flesh was in shreds and his hands and feet had decayed to stumps. The shock proved too great for his mother, and the next day, after seeing the terrifying story, with her eyes fixed on a photograph of Damien she died.

WHEN the news of Damien becoming a leper had gone around the world, four men, two of whom were priests, became determined to come to Molokai and help him in his work. The first to come, Joseph (Ira) Dutton of Vermont, was to be the one who, before all others, became Damien's friend and confidant and who was to remain and work at the settlement for forty-four years.

Dutton's life, before he came to the Islands, reads like a romantic novel, containing all the adventurous elements that go to make such a work. He had both been a dashing cavalry officer in the Civil War and a probationer in a Trappist monastery, he had been the victim of an unhappy love affair; in fact there are some who say that the stories of "The White Cowl" and "The Garden of Allah" are based on his experiences.

Damien was on the beach to meet Dutton, and while the priest surveyed him curiously, he briefly explained his ambition and position and stated that he wished no remuneration. He had credentials, letters of consent and approval from Bishop Koeckmann and the Board of Health, which Damien, staring shortsightedly through his thick lenses, scanned closely and slowly. Perhaps, he doubted the ability of this gentlemanly individual to stand the hardships of the settlement, for after mentioning some of the worst conditions, he asked: "Are

See DAMIEN Page 16

THINK!

by Anthony Ashley

LOOK at that word at the head of this item. Consider it. Dwell on it. Spend at least one minute revolving the word in your mind . . .

There. Have you considered it? Have you "thought about thinking"? Have you analyzed the process involved?

It isn't easy, is it? It's a form of effort, isn't it? Of course it is. Reputable psychologists tell us the average person does not think twice a day! That is to say, the individual does not ponder, contemplate, reason, does not force his mental faculties into directed effort for any given length of time twice every day.

Now, then, consider this: Everything in the material world about us—to say nothing of the spiritual world—is the result of applied thought. Without thoughtful planning there would be no world. Without thought there would be no civilization, democracy, United States.

Only when a man thinks, and thinks deeply, painfully, can he progress. Consider the ponderous thought-effort that went into the writing of the Declaration of Independence, into the invention of the automobile, into the perfection of radio.

The pathway to social justice is paved with thought. Only by thinking intently can one assimilate the foundations of thought, and the structure of thought, that goes into the realization of this world wide program for social betterment. Only by thinking can one see beyond the pleasant promises of Communism, New Dealism, Fascism, and other threats to traditional Democracy.

The printed word is merely written thought. The spoken word is merely oral thought. To read the writings of others is to read their thoughts; to glimpse into their minds—their souls.

How often do we shun that which is "too deep." That is nothing less than shameful mental laziness. It is man's refusal to use the one faculty God gave him to distinguish him from the brute.

If you would progress, think deeply! Drive yourself forward to new thought adventures. Above all, do not scorn the article, the book, the movie, the play, the fundamental of religion that is "too deep."

Think! It is exhilirating.

YOU STILL HAVE TIME TO WIN $1,500.00

Questions For This Week

QUESTION NO. 17

What is the Leading Cause of the "Roosevelt Recession"?

1. Overproduction of consumer goods.
2. Underproduction of consumer goods.
3. European unrest.
4. Decline in foreign trade.
5. The Sino-Japanese war.
6. A "strike" of capital.
7. The C.I.O.
8. Deflationary activity of bankers.

QUESTION NO. 18

What Form of Freedom is Most Necessary to Earthly Well-Being?

1. Political freedom.
2. Religious freedom.
3. Economic freedom.
4. Social freedom.
5. National freedom.
6. Freedom of the press.
7. Freedom of the seas.
8. Freedom of speech.

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 17 For Question No. 17 I Select Answer No. ☐ No. 18 For Question No. 18 I Select Answer No. ☐

Name.....

Address.....

Town or City.....State.....

Resolve Today To Win

GRAND PRIZE	**$1,500.00**
Second Prize	**$750.00**
Third Prize	**$250.00**
Fourth Prize	**$100.00**
Fifth Prize	**$50.00**
Twenty Prizes of	**$25.00 each**
150 Prizes of	**$10.00 each**

"Past Questions" Coupon

CONTEST EDITOR, SOCIAL JUSTICE
ROYAL OAK, MICHIGAN

I wish to enter the "AMERICA TODAY" Contest at once and be on an even footing with all other contestants.

Please send me free of charge, all Past Questions which have appeared up to date.

Name.....

Address.....

City.....State.....

How would you like to receive in a few short weeks a telegram saying: "You have been adjudged winner of the Grand Prize in our "AMERICA TODAY" Contest stop Check for fifteen hundred dollars on the way?"

You now reading these lines can be the happy person to receive such a message. You can win the Grand Prize as easily as any other man or woman, boy or girl, in this great competition.

It should be easy for you to answer properly fifty questions concerning the social justice principles of Father Coughlin and how those principles affect our country today. YOU CAN DO IT!

Of course, there is also a Second Prize of $750.00; a Third Prize of $250.00; a Fourth Prize of $100.00; a Fifth Prize of $50.00; and 170 additional cash awards.

And all the time you are LEARNING SOCIAL JUSTICE! So, how can you lose?

Only FOUR WEEKS remain before this great contest closes—and your opportunity to win has passed.

Only FOUR WEEKS! You still have time to enter and win. Right today—right NOW—clip the "Past Questions" coupon on this page. Mail it at once to the "Contest Editor" and he will send you all questions which have appeared. Then you answer them and send them in.

It can mean fortune for you. So do it without further delay.

ADDRESS:

"CONTEST EDITOR" SOCIAL JUSTICE
ROYAL OAK, MICHIGAN

How to Proceed as a Contestant

1. Study the questions. Mark your selection of the best or most appropriate answers on the Coupons below the questions and send in EACH WEEK with 10 cents in coin (not stamps).
2. If you wish, you may pay in full, $2.50 NOW, and then send in your weekly Coupons without further remittance.
3. Each question will pertain to a live AMERICAN ISSUE discussed by Father Coughlin over the radio or in the columns of SOCIAL JUSTICE. One of the list of suggested answers underneath each question will be the best or most appropriate based upon THE VIEWPOINT OF FATHER COUGHLIN AND THIS WEEKLY. It is your job as a contestant to try to select that particular answer.
4. Each contestant who completes a fully qualified set of 50 answers will be entitled without further cost to have SOCIAL JUSTICE sent for six weeks to a friend or relative who is NOT NOW a subscriber. Contestants may send in the name of this friend or relation at any time during course of the Contest. The trial subscription will start at once.
5. In order to qualify for the prizes, a contestant is required to remit $2.50 for each complete set of solutions submitted and he or she is entitled to have SOCIAL JUSTICE sent to a friend or relation for each set submitted.
6. If you run more than one set of answers, be sure to mark your sets "Set 1," "Set 2," "Set 3," etc. Each set stands alone in the judging. Coupons are NOT taken from one set to fill in bad "holes" in another set.
7. If you miss any of Father Coughlin's broadcasts, send for the pamphlet containing it by addressing "Reverend Father Charles E. Coughlin, Shrine of the Little Flower, Royal Oak, Michigan." Be sure to specify the date of the broadcast you missed.

Rules of the Contest

1. Open to all readers of SOCIAL JUSTICE except employes of Reverend Father Coughlin, members of the former National Board of National Union for Social Justice, or members of their families.
2. The Contest shall consist of 50 questions and run for 13 consecutive weeks, beginning on February 14, 1938. Two questions each week for 12 weeks and all 50 questions to appear the 13th week. Each question deals with a live economic or social problem affecting the United States.
3. A Grand Prize of $1,500.00 will be awarded the reader of SOCIAL JUSTICE returning the best or most appropriate answers to the 50 questions, such answers to be based upon the viewpoint of Father Coughlin as expressed over the radio, in the columns of SOCIAL JUSTICE or in his other public utterances. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in the order of their correctness.
4. In order to qualify as a prize-winner the contestant is required to send in 10 cents in coin (not stamps) with each pair of answers. For these remittances the contestant shall be entitled to have SOCIAL JUSTICE sent without cost for six weeks to a friend or relation. This trial subscription is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for Coupons arriving unduly late or lost in the mails. By entering the Contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties additional questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do NOT decorate Coupons. Neatness will NOT count.
8. Any inquiry the reply to which could not affect outcome of Contest will be acknowledged.
9. A contestant may send in any number of sets of duly qualified answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set shall be entitled to have SOCIAL JUSTICE sent for six weeks to a friend or relative for each set submitted.

Damien

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you willing to make a vow that you will stay here for at least a year?"

"I am," was the reply.

From the start Damien was noncommittal towards Dutton, but with the inexplicable sympathy that breeds friendship at first sight he rapidly warmed to the calm personality of his assistant when they went on a tour of inspection through the two villages.

As his death approached, Damien was to engage himself in a fever of activity that became almost frantic. With the inroads of disease giving him the same weaknesses as extreme age he, many times because of failing memory, would leave unfinished a task to commence a new one; and the unfinished task would be sure to be completed by the faithful and tactful Dutton, who following behind, would carefully attack all problems with a methodical carefulness born of his army training.

Their first day together was busy with talk. Plans were discussed and a division of the work made. Dutton was to take care of the two churches and to assist the priest at Mass. As the latter's hands were rapidly becoming too swollen to be of such use, it was also agreed that the newcomer should gradually assume the unpleasant duties of dressing and washing the sores of the lepers at the hospital.

AS THE day ended and the heat went before the coolness of the evening, the two sat in front of the priest's hut, and Damien talked of his pioneering among the lepers and of his hopes and prayers for the future—chief of which was a monastic institution that should be the very center of the settlement.

"You are the first of the Brothers to arrive," he told his listener with a smile. From then on Dutton was always "Brother Joseph" to Damien. In fact, as time went on and he learned the worth of Dutton, Damien even had hopes that he would be his successor in every respect.

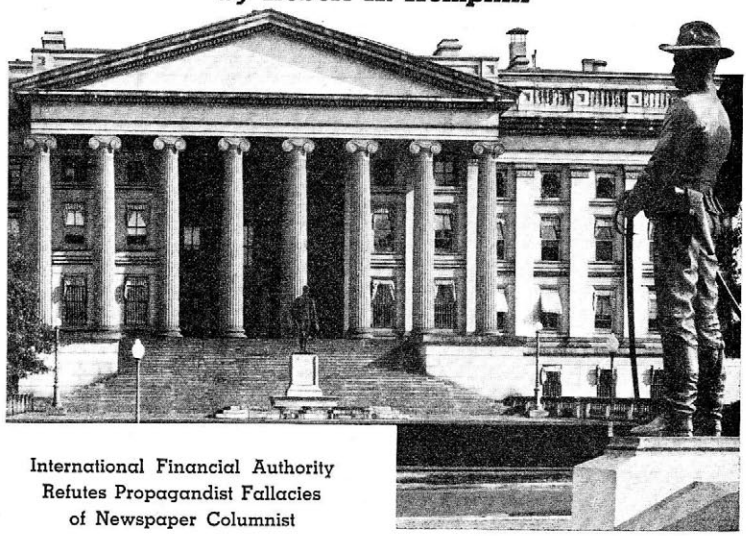
By all rules Damien at this time should have been dead, but with the stubbornness that was so much a part of him, he seemed to thrust away the final day; not because he feared the end, but because he thought the colony could not yet spare his presence.

"There is so much left to do." A horizon of achievement continued to beckon. In vain Dutton begged him to desist, to rest. His only answer was "Off I am, Brother Joseph!" and off he would go, to be followed by his worrying but ever faithful assistant. He lived on but it did not seem possible. The disease was attacking him in all the senses. Death had claimed his body but he would not die. For his affairs (and that meant the affairs of his people) were not yet in order.

(To be continued)

BOOTLICKING THE BANKERS

by Robert H. Hemphill



International Financial Authority Refutes Propagandist Fallacies of Newspaper Columnist

IN THE February 28th issue of the *Detroit Evening Times* and, I assume, other Hearst papers, Mr. Lewis Haney of New York contributes a short article condemning the issue of paper money. I have been asked by the editors of SOCIAL JUSTICE Magazine to make reply.

I do not know Mr. Haney. I have never seen or heard of him in the meetings of any economic society or heard any economist of note speak of him. I am well acquainted with most of the leading economists of the United States and of some foreign countries.

Most of the statements made by Mr. Haney in the article above referred to are untrue. I do not charge Mr. Haney with intellectual dishonesty; I would hesitate to say or think that of any man—I assume that Mr. Haney knows very little of money and related subjects and is simply repeating propaganda which is constantly and vigorously circulated by banking interests to confuse the public and preserve their unfair advantage over the real producers of the nation.

All of our paper money of whatever kind, with the exception of Silver Certificates, is fiat money.

It all has the same standing as the so-called "Lincoln Greenbacks."

We do not now use gold for money in the United States.

None of our paper money, not even Gold Certificates, is redeemable in gold.

All of the paper money of the major foreign nations is fiat money.

However, currency and coin are of comparatively small importance in the transaction of business in any country which has an extensive commercial banking system, such as the United States. Substantially all the business of this country is transacted by an imaginary money—bank deposits, the title to which is transferred by checks.

Even in the case of most of the small retail transactions in which currency or coin is used, this cash has been drawn out of some commercial bank by someone who had a deposit. He spends this money with the "butcher and baker and candlestick maker" and it is immediately re-deposited in some commercial bank. The total of these cash transactions is of course equal to the check which they replaced; therefore, the total checks drawn on the checking accounts of the nation are very nearly the total transactions of the nation, including those actually settled for in currency and coin.

ALL OF the deposits in commercial banks originated in loans of one kind or another—therefore *the commercial banks of the nation collect interest on our entire medium of exchange, including the cash in our pockets.*

It is a glorified racket, the most amazing racket in the history of civilization. It gives the bankers a stranglehold on civilization which could be preserved only by the utmost vigilance and intrigue, and through control or intimidation of the principal newspapers, magazines, universities and schools and even churches, whose writers, teachers and speakers are compelled to write and print and teach such propaganda as the Haney article to hold their jobs.

A legislative commission of the State of New York, as early as 1818, reported:

"In the opinion of your committee, no system was ever better devised so perfectly to enslave a community as that of the present mode of conducting banking establishments. Like the siren of the fable, they entice to destroy. They hold the purse-strings of society . . . thus rendering the whole community dependent upon them; proscribing every man who dares to expose their unlawful practices."

The antagonism of the bankers to the issue of money by the Government is a life and death matter for the banks. If the Government issues sufficient money for the transaction of our business, the banks would no longer be able to collect interest on it. It is, however, a much more important matter than the question of interest.

Having control of the issue of our principal money, they can bring on prosperity or depression at their pleasure. In the periods of prosperity the creation of wealth is rapid, and in the subsequent periods of deflation and depression, the small group who control the banking system, having control of the only mechanism which can create a substitute for money, can loan to themselves unlimited amounts of this imaginary money—bank credit—and purchase at bankrupt prices all the desirable institutions which have been built by genius and labor in the preceding prosperous period.

This is the system which has placed in the hands of a few families in each country the power to concentrate most of the wealth of the world in their hands.

It is the system which keeps the aristocracy of Europe in control of their respective countries.

They will fight with every available weapon to retain their unfair advantage. Such articles as Mr. Haney's are a part of this propaganda.

A BOOK could be written about the attempt of President Lincoln to break away from the stranglehold of the bankers during the Civil War. Our banks were pretty well dominated at that time by the Rothschilds of Europe and their American affiliates. They owned substantially all of our national bonds and they had bought and shipped to England all the gold we had produced, excepting about $25,000,000.

The bankers controlled the Senate, as they usually do, but the House of Representatives was a more independent body.

The entrenched class of every European country joined in the fight with unlimited money and their most astute and skilled lobbyists. They felt that if the Government of the United States succeeded in breaking the stranglehold of the bankers upon the Government, the populations of other countries would revolt and the control of the entrenched classes would be forever broken.

Lord Goschen, a director and monetary expert of the Bank of England, said:

"If that mischievous financial policy which has had its origin in the North American Republic during the late war should become indurated down to a fixture there that Government will furnish its money without cost. It will pay off its debts and be without a debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of civilized governments of the world. The brains and wealth of all countries will go to North America. That Government must be destroyed, or it will destroy every monarchy on this globe!"

The bill authorizing the issue of legal tender money passed the House after a bitter struggle. What happened thereafter is graphically told by Representative Thaddeus Stephens, of New York, chairman of the House Banking and Currency Committee, at the final passage of the bill after the Senate had emasculated it. He said:

"I have a melancholy foreboding that we are about to consummate a cunningly devised scheme, which will carry great injury and great loss to all classes of the people throughout this Union, except one. With my colleague, I believe that no act of legislation of this Government was ever hailed with as much delight throughout the whole length and breadth of the Union by every class of people, without any exception, as the Legal Tender Bill we passed and sent to the Senate . . . It is true there was a doleful sound came up from the caverns of bullion brokers and from the saloons of the associated banks. Their cashiers and agents were soon on the ground, and persuaded the Senate, with but little deliberation, to mangle and destroy what it had cost the House months to digest, consider and pass. . . . Instead of being a beneficent and invigorating measure, it is now positively mischievous. It has all the bad qualities which its enemies charged on the original bill and none of its benefits. It now creates money, and by its *very terms declares it a depreciated currency.*"

AFTER the banking group in the Senate had concluded that the bill might pass against their opposition, the fight centered on the legal tender provisions. The Senate amendment provided that the notes should be

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Pay-Off

Concluded from Page 3

of Woodrow Wilson was in insisting upon the realization of his fourteenth "League of Nations" point, when the preceding 13 had been discarded.

France, more than any other country, wrecked the Versailles peace conference. France is now crying out loudest against the Anschluss between Germany and Austria.

WHAT HAVE the nations expected Austria to do? What did they do to Austria? In the answer to the second question lies the answer to the first. The terms of the Saint Germain peace treaty between Austria and Allies are simple and foreboding. No one can understand what has just happened in Central Europe without reviewing those terms.

Austria was stripped of everything but her name. She was reduced to a condition where her area and her population were smaller than Portugal's. She was deprived of her seaports. She was limited to an army of 30,000 men. She was saddled with reparations and indemnities second in extent and cruelty only to those of Germany. Never again, in the vindictive minds of England and France, must Austria ever arise from the dust to which the death warrant of Versailles had consigned her.

In other words, Mr. President, what has happened in Central Europe today is the pay-off for the paganism of Versailles. France and other nations co-operated in the attempt to reduce Austria to a vassal state. They reduced her to a population of between 6,000,000 and 8,000,000. They permitted no one but Germans to constitute the new vassal state of Austria.

It is ridiculous to hear Hore-Belisha in England and Blum in France wax tearfully eloquent over what has happened in Austria. Either the Austrians wanted the recently accomplished Anschluss or they did not. If they wanted it, France and the leftist part of England and the Peace Treaty of Versailles must take the blame for orientating the Austrian outlook toward their racial brothers in Germany. If they did not want it, France and leftist England and the Versailles Treaty must take the blame for rendering Austria so weak in population and defensive strength that she could not have resisted the Anschluss had she desired to do so.

I write these lines, Mr. President, so that some light may glimmer through the fetid and foggy atmosphere of international propaganda which pours across the Atlantic into Washington.

Twenty years ago, your predecessor in the White House tried to save European politics for England and for France. Today every effort will be made to have the strength of the United States thrown behind the diplomacy of France and England's Foreign Office in their dealings with Germany and in their Austrian lamentations.

As the present occupant of the White House, we trust that you have benefited by the mistakes of your predecessor. As Commander-in-Chief of the Army and Navy, we trust that you will never sacrifice the lives or fortunes of American youth, except, if need be, upon the altar of a defensive war for the protection of our shores from actual invasion. We had nothing to do with the death warrant of Versailles. We have kept out of the League of Nations and for that we must ever be thankful. We offer friendship to all European nations and political favors to none. That must be the theme of the foreign policy of your administration or any other administration.

AS THE President of the United States you have been selected to help the American people secure social justice. Social justice can be attained in the United States without the formation of entangling alliances or private diplomatic understandings with any country abroad. It is up to you as an American President to proclaim this fact to the world. Neither the executive or legislative ear of Washington must be lent to the lamentations of Hore-Belisha or to the Soviet psalms of Blum. By their attitude at the Peace Conference of Versailles France and England made the recent Austrian Anschluss with Germany a reality. We in the United States want no international Anschluss with them.

We shall not fight to save the face of France, which is growing redder, in many ways, every day. We shall not fight to save the reputation of "Anthony Adverse" Eden or any other British diplomat who echoes today the hatred of Lloyd George 20 years ago. We shall fight for the United States in the United States and no place else.

Social justice is twentieth century Americanism. On the Declaration of Independence we must erect a newer Declaration of Social Justice. To this cause 120,000,000 American citizens, minus the Reds and the Pinks and Pale-Dry International Liberals, dedicate their lives, their fortunes and their sacred honor. A flight from the foreign policy of Woodrow Wilson and a return to the foreign policy of George Washington can alone bring peace and inaugurate a regime of Social Justice in America.

Power

Concluded from Page 9

possessed of private means, or were occupiers of land. The lord was to have the first claim to the labor of his serfs, and those who declined to work for him or for others are to be sent to the common gaol.

(2) Imprisonment is decreed against all persons who may quit service before the time which is fixed in their agreements.

(3) No other than the old wages are to be given, and the remedy against those who seek to get more is to be sought in the lord's court.

(4) Lords of manors paying more than the customary amount are to be liable to treble damages.

(5) Artificers are to be liable to the same conditions, the artificers enumerated being saddlers, tanners, farriers, shoemakers, tailors, smiths, carpenters, masons, tilers, pargetters, carters, and others.

(6) Food must be sold at reasonable prices.

(7) Alms are strictly forbidden to able-bodied laborers.

(8) Any excess of wages taken or paid can be seized for the king's use towards the payment of a fifteenth and tenth lately granted as a payment to the support of the king.

The statute provided for the difference between summer and winter wages and guarded against the emigration of the town population to country places in summer.

Bankers

Concluded from Page 17

legal tender for all purposes *excepting interest on the public debt.*

To provide for gold coin to pay interest on the U. S. bonds the Treasurer was authorized to sell 20-year 6 per cent bonds *"at the market price."*

The same Rothschilds group who owned the bonds owned the gold. It was a simple matter for them to demand 100 per cent premium for their gold to pay their own interest.

Shortly before his assassination, Lincoln, worn and tired with his struggle to preserve the Union and fight these unscrupulous parasites, wrote his friend Mr. Elkins of Illinois:

"Yes, we may congratulate ourselves that this cruel war is nearing the close, but I see in the future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of the war, banking corporations have been enthroned and an era of corruption in high places will follow and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until wealth is aggregated in a few hands and the republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before in the midst of war."

There is little doubt in the minds of students of the financial history of the United States that Lincoln's assassination was procured by this group of European and American financial parasites. With the war out of the way, he would have turned his whole attention to exposing them and the records in Congress are replete with sufficient evidence of their unscrupulous intrigue.

The Full Legal Tender notes of the United States Government are not only secured by the gold in the treasury, but are secured by the entire wealth of the nation—one-half the wealth of the civilized world! No other currency conceivable by human imagination could compare in safety and stability. It will, sometime in the not distant future, be our only money and the principal medium of international exchange. After that time depressions will be a matter of our tragic financial history—the history of corrupt men and corrupt propaganda.

"Made In Czechoslovakia"

AMERICA'S shoe manufacturing industry has been demoralized in the last few months because of lost markets and the competition of foreign goods.

The demoralization was made complete recently when Secretary of State Cordell Hull negotiated a trade agreement with Czechoslovakia which lowered the duty on Czech shoes imported into this country, and permitted an increase in shoe imports ranging between 600,000 and 700,000 pairs a year.

Secretary Hull and President Roosevelt were quick to hail the agreement as another "success" under the reciprocal trade act.

Wage cuts have been general in the shoe manufacturing cities along the Eastern seaboard, even in the Endicott-Johnson plant, noted industrial democracy, where the workers voted their own 10 per cent cut to meet demands of competition.

A substantial section of the industry now will be forced to close up shop, according to leading manufacturers, because its market is barred in favor of a product bearing the stamp "made in Czechoslovakia."

This rising European nation has been a great admirer of the American system of government. Its founders proclaim that its constitution was "written in Philadelphia," so closely does it resemble our own document of freedom.

Perhaps the subtle flattery of the Bata shoe executives, and others on the treaty negotiating group, had its reason-robbing effect on Mr. Hull and Mr. Roosevelt.

The Czechs learned shoe manufacturing from this country. Now they are given an open door to American markets to demonstrate the success of the one industrial principle America fights—starvation wages.

PERMIT me to speak to you on the subject of birth control—a practice condemned by the Catholic Church and, unfortunately, upheld by some other churches in America.

Birth control was introduced into the world not because of a great moral issue but because of a matter of dollars and cents. Originally it was an economic issue. Its whole history has been tied up with the so-called science of political economy. And today it is still an economic issue for those who advocate it.

It is true that the endorsers of this revived paganism comment on the fact that "under certain physical conditions of the mother, pregnancy is hazardous both to mother and child." But it is likewise true that the chief reason which they advance for lending their imprimatur and approval to birth control is because of economic considerations. They say: "Very large families tend to produce poverty." Moreover, they rescue from the discarded sophistries of the past the punctured theory that the problems of over-population are also involved in the consideration of birth control. And finally, to clinch their specious arguments, they say that the question of birth control "is recognized by all churches and physicians." Gratuitous statements and Corinthian arguments! The Catholic Church, for one, recognizes it as a revival of paganism.

Let us approach this subject along the highway of history.

In the Jewish dispensation we find no mention of contraception. It remained for the nations of luxury, of wealth, of social prestige to bring into the world the theories of birth control.

Even the sinful Canaanites are without indictment on this crime that is contrary to the nature of matrimony. But with Grecian culture and Roman civilization the theory of race limitation arrives. Plato and Aristotle for the Greeks urged the control of population in their communistic states. They urged it by controlling birth and regulating marriage, "lest the means of support from the soil be insufficient for all citizens."

HERE, then, is the birth of a theory. Here is the origin of perhaps the most heinous and vicious of sins. Control birth lest the nation starve! An appealing argument to the selfish, luxury loving people of all time; a people who advocated and practiced slavery; a people who prated of liberty and had none of it; a people who knew not the meaning of a just and living wage.

Greece under the sting of its own decadence fell before the eagle of Imperial Rome. But eventually the Roman conquerors adopted the vices of the conquered. Soon the Greek theory of economic pressure was borrowed to cover vice. In the higher strata of society at Rome, birth control was openly practiced. From Macauley we remember the lines condemning Rhea:

"The children to the Tiber,
The Mother to the Tomb."

The poet, Ovid, writing of the Roman upper classes, comments on the practice of birth control. Hippocrates, the father of medicine, recognized the evil—the physical evil of this same birth control. His voice alone in ancient Greece remains to remind us that always the leaders in medicine protest the violation of nature's laws. For Hippocrates bound by oath the physicians "not to give women drinks fatal to the unborn child."

But Aspasia, the most wicked of the women of antiquity, was daily teaching contraception.

SO HISTORICALLY, my friends, we see the origin of this so-called new theory just adopted into the "Apostles' Creed" of the Federal Council of Churches. It had its historical origin among the well-to-do. Birth control was advocated by the cultured lest the nation perish. It was practiced by the selfish and the luxurious rich. It was woven around an economic argument. And its disciples throughout the centuries have canonized Aspasia who preached to the women of her day the art of child prevention. For then as now, men and women desired all the freedom of the marital union without the consequences. For then as now, passions dictated to reason. For then as now, the selfish and the slave owners desired their pleasures and their possessions uninterrupted either by self-sacrifice on their own part or starvation on the part of the laborers. For then as now, the economic theory was brought into play—the theory that some day the race would be in danger from over-population; the pagan theory of Aristotle and Plato whose little city states were hemmed in by unproductive mountains. And above all, for then as now, the cowardly leaders instead of attempting to remedy the conditions of slavery in which the working people found themselves, prostituted their intelligences and their combined activities of leadership to the lords of wealth and the masters of commerce. They preferred to curtail the birth of children rather than to raise their voices in protest against the overlords of tyranny.

In the ages that followed the eras of the two great pagan empires of antiquity, the voice of the early Church put an end to birth control. Where the Church entered, contraception ended.

No sooner had Christianity appeared than conditions changed. Constantine, the first Christian emperor, enacted two laws which reflected the influence of Christian teaching on the subject. By the first, funds were supplied to families who were overburdened economically with children. By such legislation this emperor was Christian enough to scuttle the economic argument. Has this piece of history escaped the Federal Council of Churches, or knowing it, have they refrained from raising their voices to go to the root of the matter instead of harmlessly hacking at the dead branches of its effects? Instead of that, it appears that they have surrendered, to repeat, to the concentrators of wealth.

WHEREVER the pagan spirit of Greece and Rome exists, there is found in counterpart the theory that economic pressure, however distant, bears the right to kill the unborn child or to prevent its being conceived. In modern times the issue has been re-introduced. Population is once more the basis for an argument. In modern times the issue has found exposure upon the front pages of our daily journals to prevent conception because the father of a family is no longer able to support his offspring from the unjust and unliving wages which have followed in the wake of modern capitalism.

The greatest of all English economists, Adam Smith, recognized a scarcity of subsistence was a thing of past ages. This was in 1776. A few years later it was Ortes, a Venetian Friar, who first taught that population was increasing in geometric ratio of 1-2-4-8-16 and that sustenance was increasing in arithmetical ratio only 1-2-3-4-5.

Here, my friends, is another way of stating that as far back as those days it was being recognized that a just and living wage was not being paid to the population of Europe, although it was possible to do so.

But the discovery of the Venetian Friar led to the conclusion that the condition which he observed must be corrected by sexual restraint and by a re-adjustment of the laws of labor.

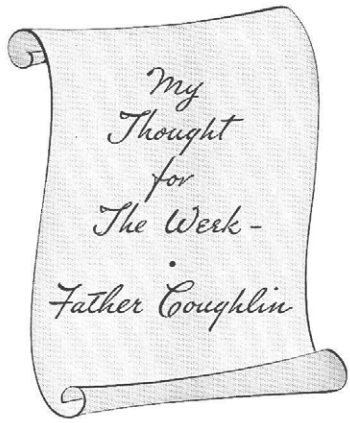
And then came Malthus—the greatest theorist and the most active student on the question of over-population and birth control. Writing in 1798 a reply to William Godwin, he attempted to answer the argument that poverty was largely a result of the improper distribution of wealth. Godwin advanced the theory that there was wealth enough in the world for us all; the theory that nature was bountiful with her gifts and that man was at fault in their proper distribution.

MALTHUS pretended to write for the classes. In truth, he wrote to shift the responsibility of poverty on the child-bearing, child-rearing poor of his day. His thesis was that the fecundity of man outran the fertility of the soil. His principle was that man reproduced in geometric ratio; that land increased its productivity in arithmetic ratio. He recognized the acts of Providence — war, pestilence, famine and disease. But in a deep pessimism, he predicted the day when the nations would starve unless birth control stepped in to save the situation.

Malthus was writing in a peculiar day. Men who read him today forget the temper and nature of his time. They forget that he wrote just after the French Revolution when the downfall of the old social system left no improvement in the conditions of the French nation. We, too, forget Malthus was writing as an Englishman of 1798, after a series of successively bad harvests.

But we do not forget that the temporizers and lineal descendents of Malthus of our own day have likewise given voice to their theories of contraception and birth control on the heels of another depression.

Next week I shall continue on this same subject.



MY DEAR FRIEND:

If the series of lectures broadcast during this season cost a little labor on my part, believe me, it was a labor of love.

At all times I have tried to remember that I was a guest in your home, entering there to bring you an interpretation of basic truths and information which might prove valuable.

These lectures are being printed in a book costing me a little less than fifty cents each. However, please feel free to write for your copy this week. I will be happy to mail the book, with my compliments, to all those who request me to do so.

I trust that, on reading these lectures, pleasant memories of our association will be recalled.

Cordially yours,
Father Coughlin

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